# Project Crab Apple

Independent Expert Opinion – Final draft version

July 2022

MOORE Corporate Finance

# 1 Executive Summary

# 1.1 ASSIGNMENT

nyrstar

Moore Corporate Finance nv (“Moore”, “We”) has been mandated by Nyrstar nv (“Nyrstar”, “NNV” or the “Company”) to perform a formal and independent expert opinion, in the framework of Art 7:97 of the Belgian Company Code, addressed to the Committee of Independent Directors (the “Client” or “You”), covering the following items:

- The current valuation of the former subsidiaries of the Company (“Nyrstar Group”, the “Operating Group”) and the equity value to be assessed for the 2% equity holding in an English entity NN2 NewCo Limited (“NN2”) by the Company. Nyrstar Netherlands (Holdings) bv (“NNH”) became the parent entity of the Nyrstar Group as a result of the acquisition by Trafigura Group in 2019. The valuation methodology to be applied will depend on the availability of the relevant information sets.
- The financial consequences of (not) exercising the Put Option for the Company and possible other consequences related to such decision.
- Benefits and disadvantages for the Company if the Board resolves to exercise the Put Option, including taking into account the alternative investments that the Board could consider to pursue with the proceeds of the Put Option. In doing so, the expert shall consider the financial viability of the Company over at least the next 24 months, after date of issuance of the expert opinion, if it decides to not exercise the Put Option.
- The potential outcomes under the alternative options to the exercise of the Put Option, including the ability of the Company to sell the 2% stake in NN2 to a third party and the likely sales proceeds that the Company may be able to generate from such a sale.

The Company, together with Nyrstar Group, have provided the information for the execution of the independent expert opinion. During the analysis of this information, we relied upon the representations and warranties made in the letter of understanding signed by Nyrstar NV. No such letter was signed by Nyrstar Group.

Our assignment did not include a due diligence or detailed audit. Consequently, we cannot make any statement or warranty about the information provided, nor can we be held liable for any error or omission in this information.

Moore can only be held liable to the Client within the scope of the intended use of the report as described above.

# 1.2 INDEPENDENCE

- In the meaning of article 7:97 of the Belgian Code of Companies and Associations, Moore must be independent from Nyrstar, from members of the Trafigura Group (as defined below) and from certain selected shareholders of Nyrstar (as listed below) and no conflict of interest should exist that would refrain Moore from conducting the assignment in full independence.

- We have executed the appropriate internal compliance- and conflict check procedures.

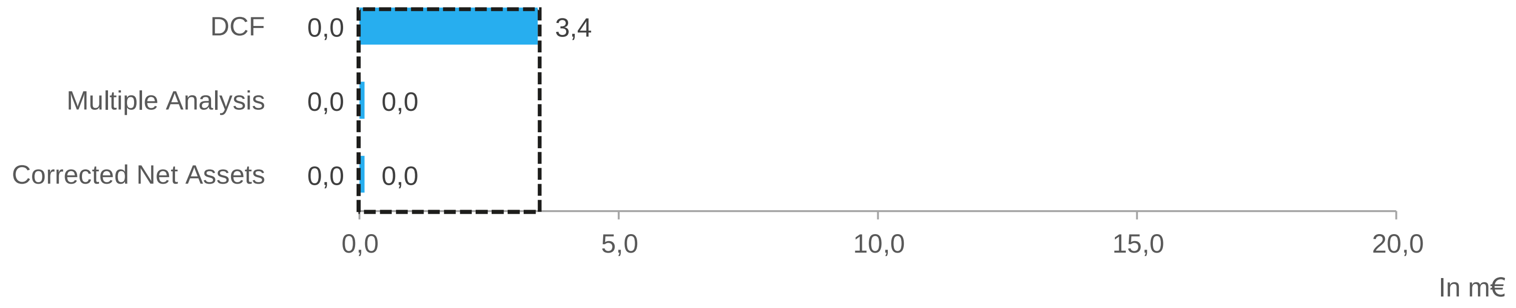
- As a result, we can confirm that, for the purpose of conducting the assignment, we are independent in the meaning of article 7:97 of the Belgian Code of Companies and Associations from Nyrstar, from members of the Trafigura Group (as defined below) and from certain selected shareholders of Nyrstar (as listed below) and that no conflict of interest exists in relation to the following entities or persons:

  - Nyrstar (Global conflict check performed)
  - Trafigura Group, as defined in Note 40 (page 103) of the publicly available financial statements 2020 of Trafigura (Global conflict check performed)
  - Selected shareholders of Nyrstar (see appendix 10.1)

# 1.3 EXECUTIVE SUMMARY

**We have determined the fair market value of the 2% equity stake of the Company in NN2 to be in the range between m€ 0,0 and m€ 3,4 per 31.05.2022.**

The valuation methods used are Discounted Cash Flow, Multiple Analysis and Corrected Net Assets. Our calculations gave the following results per method:




Our calculations have been based on the information made available by Nyrstar and by the Nyrstar Group. The information received was relatively generic and did not include underlying calculation details. Since we were not able to analyse consistency (within the data set as well as historically) nor the implicit hypotheses used by management i.a. in the projections received, we have tested the business plan and the underlying hypotheses as much as possible to challenge their consistency with historical information on the one hand and with market data on the other hand.

We have utilised our own in-house metals & mining industry expertise and performed cross-checks with publicly available information as well as market data to review the credibility of the projections in the business plan. There has been a Q&A process involving the Nyrstar Group management. Overall, we found no indication to doubt the credibility of the information received inclusive of the projections.

We also did a (limited) sensitivity calculation to shortfall in EBITDA compared to projections, taking the interim results as per 31.05.2022 as a reference point.

We have used a number of assumptions that have a significant impact on the final result. One needs to read this report in full in order to understand the scope of information received as well as the assumptions used.

As regards the other questions raised, we are of the opinion that:

- Exercising the Put Option would ensure the financial viability of the Company over at least the next 24 months (and based on the information provided by the Company until completion of the assumed liquidation process).
- Not exercising the Put Option would create substantially higher risks as regards the financial viability of the Company over the next 24 months:
  - we are not aware of any cash generating activity of the Company that would generate enough financial means to cover the Companies' recurring expenses (except drawing on the Limited Recourse Loan Facility, whereby this Facility is limited in amount and in time);
  - In our opinion, there is very little chance to achieve a better net financial result from selling the 2% equity holding to another potential buyer or to Trafigura or under any other possible disposal agreement.
- Consequently, the benefits for the Company if the Board resolves to exercise the Put Option provide a certain degree of financial security, limiting its liquidity risks for the foreseeable future and avoiding bankruptcy. Based on the performed valuation, the exercise price of the Put Option (m€ 20) is significantly higher than the amount a third party would be likely willing to pay. The disadvantages are that the Companys' major asset will be realised and thus its purpose will be reduced to managing the proceeds of the Put Option and the management of the ongoing legal and other regulatory proceedings.
- The alternative investments that the Board could consider to pursue with the proceeds of the Put Option, if exercised, are investments in cash deposits, short-term investment grade corporate bonds, index funds and/or other investments contemplated by Nyrstar NV's corporate purpose clause. We believe that investments beyond that scope would not be advisable unless fitting in a newly defined (and agreed upon) long term strategic plan for the Company.

Wemmel, Belgium
22 July 2022

DocuSigned by:
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Philippe Craninx
Managing Partner
Moore Corporate Finance nv

# 2 Process

# 2.1 SCOPE

- We formulate an expert opinion on the terms of a potential transaction of the 2% equity stake of the Company in NN2, given the fair market value of this 2% equity stake, and answer the questions listed in our assignment.
- All amounts in this report are in thousands of euros (indicated as "k€") unless otherwise stated.
- In order to execute the assignment, the process comprised the following steps:
  - Prior discussion of the objectives and scope of the assignment;
  - Presentation of a detailed questionnaire for our analysis;
  - Provision of the available information based on our questionnaire;
  - Provision of all extra information, calculations and documentation deemed relevant;
  - Discussion of this information with the senior management representatives at NNV and the Nyrstar Group;
  - Request and numerous discussions for supplementary information deemed relevant, based on the information already received and discussions;
  - Processing of the information, including a critical financial analysis but without due diligence or detailed audit;
  - Discussion regarding the analysis and first processing of the information;
  - Financial processing of the information and elaboration on the valuation section;
  - Several discussions with the senior management representatives at NNV and the Nyrstar Group;
  - Preparation of the expert opinion including the explanatory texts;
  - Delivery of a draft expert opinion;
  - Discussion of the draft expert opinion;
  - Provision of comments and all extra information, calculations and documentation deemed relevant;
  - Processing of all input received with the senior management representatives at NNV and the Independent Directors at NNV as a reaction on the draft expert opinion;
  - Delivery of the expert opinion.
- We used various valuation methods, including the Discounted Cash Flow, the Corrected Net Assets method and the EBITDA multiple analysis, which we tested against each other and led to a conclusion.
- If important assets were to be valued in the course of this process, we used either the book value or a conventional value that was indicated to us.
- The assignment has been executed in full transparency.

# 2.2 INFORMATION RECEIVED



- To ensure a smooth data collection, an information request list (IRL) was provided to the Company. Based on this IRL a first batch of information was provided by the management of Nyrstar and the Nyrstar Group. After further Q&A sessions with the Company and the management of the Nyrstar Group (represented by Mr. Karl Söderberg, CFO of Nyrstar Netherlands Holdings bv (‘NNH’), a subsidiary of NN2), extra information was gathered. All relevant documents received were provided through the Intralinks Virtual Data Room, please refer to Appendix 3 for the index of all documents received.

- Note that based on the extract from the NNV-Trafigura Deed, NNV does not have any specific information rights related to its exercise of the Put Option, except for that of a reasonable request. Therefore, despite NNV’s request, certain more detailed information has not been provided:
  - The connection of the EBITDA and free cash flows to the macros and inputs. We were therefore not able to analyse consistency (within the data set as well as historically) nor the implicit hypotheses used by management i.a. in the projections received. Also, we were not able to perform any detailed sensitivity analysis on projections. Nevertheless, the data provided seems reasonable and did not seem to include inconsistencies.
  - The difference between the book value of the real estate (m$ 174,1 out of the value of total assets of m$ 3.654) and its fair value. We were not able to take such difference into account in the corrected net assets valuation.

- Based on the information received, the following approach was used:
  - The EBITDAs, CAPEX, taxes and corporate costs as stated in the forecast were used in the valuation.
  - The underlying macros and inputs behind the calculation of the EBITDAs were challenged.
  - We assume, based on the input of NN2 management, that the book value of the assets and liabilities of NN2 represent their fair market value, except for the loans and borrowings. Furthermore, Nyrstar management representatives indicated that the fair value of the real estate does deviate significantly from its book value. However, due to a lack of information, no difference was taken into account in the corrected net assets calculation.
  - No (financial) information after 31.05.2022 was received. The bridge to 31.05.2022 is made based on the interim result as per 31.05.2022.

- We accepted this information as proper representations of the operations. We did not investigate in detail the accuracy or completeness of the data that were provided to us and we express no opinion or other form of assurance regarding the accuracy or completeness thereof.

- We note that Nyrstar NV does not have audit rights over the information that was provided by the Nyrstar Group. However, we understand from the Nyrstar management representatives that, based on their assessment, they believe the business plan provides reasonable and sufficiently robust information with regards to the expected production, profitability and expected cash flows of the Operating Group.

# 2.3 OVERVIEW OF ACTIVITIES

nyrstar

This report is based on different meetings and calls. Weekly meetings with Nyrstar management representatives were held. Other milestones were:

19.11.2021
**Assignment**
Assignment signed by all parties, together with the independence declaration.

05.01.2022
**Information request list**
Information request list was sent to the Client.

06.01.2022
**Virtual data room**
The virtual data room was opened to gather the information.

12.01.2022
**Information received**
First information uploaded in the data room.

13.04.2022
**Q&A**
First of several Q&A files was sent to the Client.

29.04.2022
**Meeting Nyrstar Group**
Meeting to discuss information received, historical figures and business plan.

06.05.2022
**Information received**
Additional information uploaded in the data room.

20.05.2022
**Draft report**
First draft report provided to the Client.

20.06.2022
**Trading update**
Trading update until the 31st of May received

22.06.2022
**Independent Committee**
Call with the Committee of Independent Directors.

22.07.2022
**Final report**
Final call with the Committee of Independent Directors and the final report is provided to the Client.

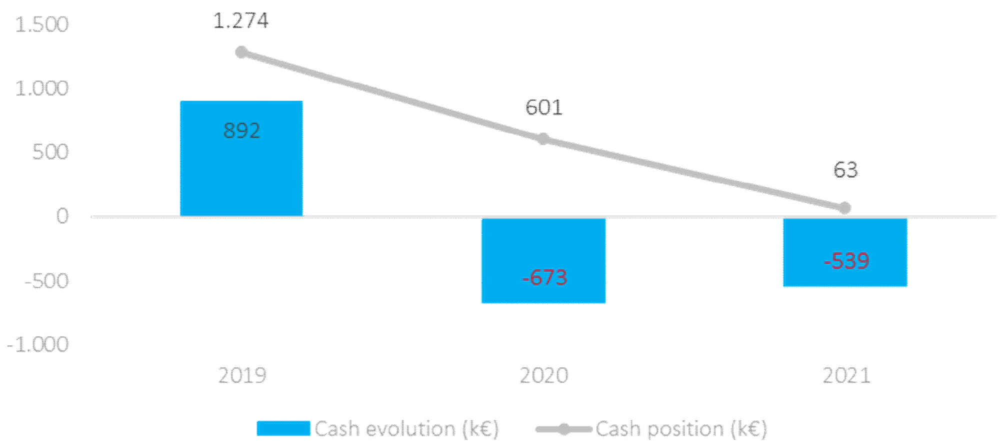
# 3 The Company

# 3.1 COMPANY PROFILE NYRSTAR

## Company Profile

- Nyrstar is a Belgian listed company which owns 2% of the equity of NN2 NewCo Limited (hereafter NN2). NN2 is the holding company of the operating activities of the Nyrstar Group.
- Nyrstar is listed on Euronext Belgium. The shareholders with a stake exceeding 10% are Urion Holdings (Malta) Ltd, a subsidiary of Trafigura bv (24,42%) and Kris Vansanten and associated shareholders (15,09%).

## Key Financials NNV: Cash Flow since 2019 (year of debt restructuring)




## Legal Perspective

- Due to severe financial difficulties of the Company, a debt restructuring was implemented pursuant to a lock-up agreement entered by the Company and certain stakeholders on 14 April 2019.
- As part of the debt restructuring, the Company entered into an agreement with Trafigura and Nyrstar Holdings Limited (a private limited company incorporated under the laws of Malta) in relation to certain restructuring steps and the terms of the ongoing relationship between parties, pursuant to which Trafigura became the ultimate majority owner of NN2, with the following features:
  - Procure that the Company becomes the holder of a 2% shareholding in NN2.
  - Provide the Company with certain minority rights in respect of its 2% equity stake in NN2 including certain information rights, tag and drag along rights and a Put Option in respect of the entirety of its 2% equity stake in NN2 for a price equal to m€ 20.
  - Ensure financial support in the form of a committed limited recourse loan facility up to a total amount of m€ 13,5.
- Simultaneously with the signing of the NNV Trafigura Deed an agreement was concluded between the Company and NN2 for the transfer of the assets from the Company to NN2.

# 3.2 COMPANY PROFILE NN2

nyrstar

## Company Profile

- NN2 is the holding company of the operating activities of the Nyrstar Group. These operating activities consist of global mining and smelting of multi-metals with a market-leading position in zinc and lead.
- NN2 owns mines, smelters and other operations in Europe, North America and Australia (see next slide).
- In addition to the 2% shareholding of Nyrstar nv in NN2, Trafigura Group Pte Ltd holds the remaining 98%. Trafigura is one of the largest physical commodities trading and logistics groups in the world. In 2021 the group employed over 9.000 people across 48 countries and had a revenue of b$ 231.

## Key KPI of NN2

**150** Years global presence

**3** Continents

**9** Operations worldwide

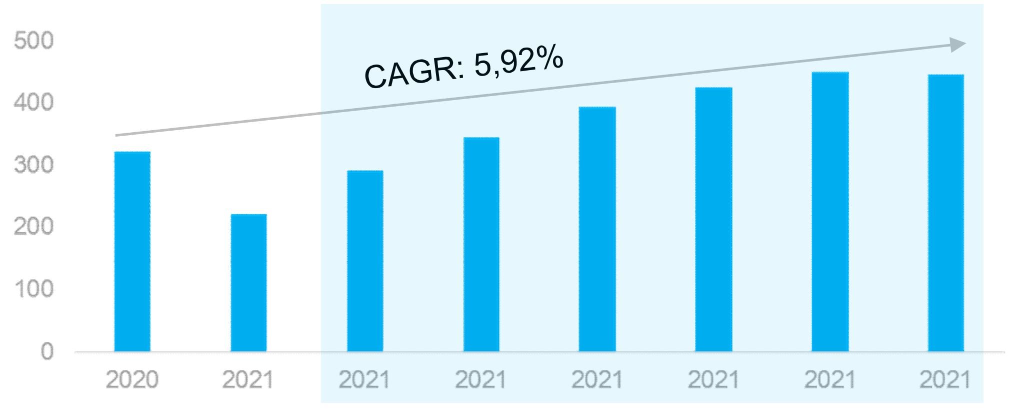
**100+** Products diversity

**7 days** From concentrate to metal

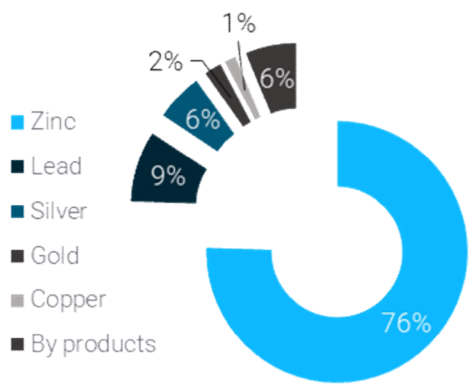
**4.000** Employees

**2nd** Largest zinc metal producer

## Key Financials NN2*: EBITDA since 2020




## Revenue distribution NN2* 2021

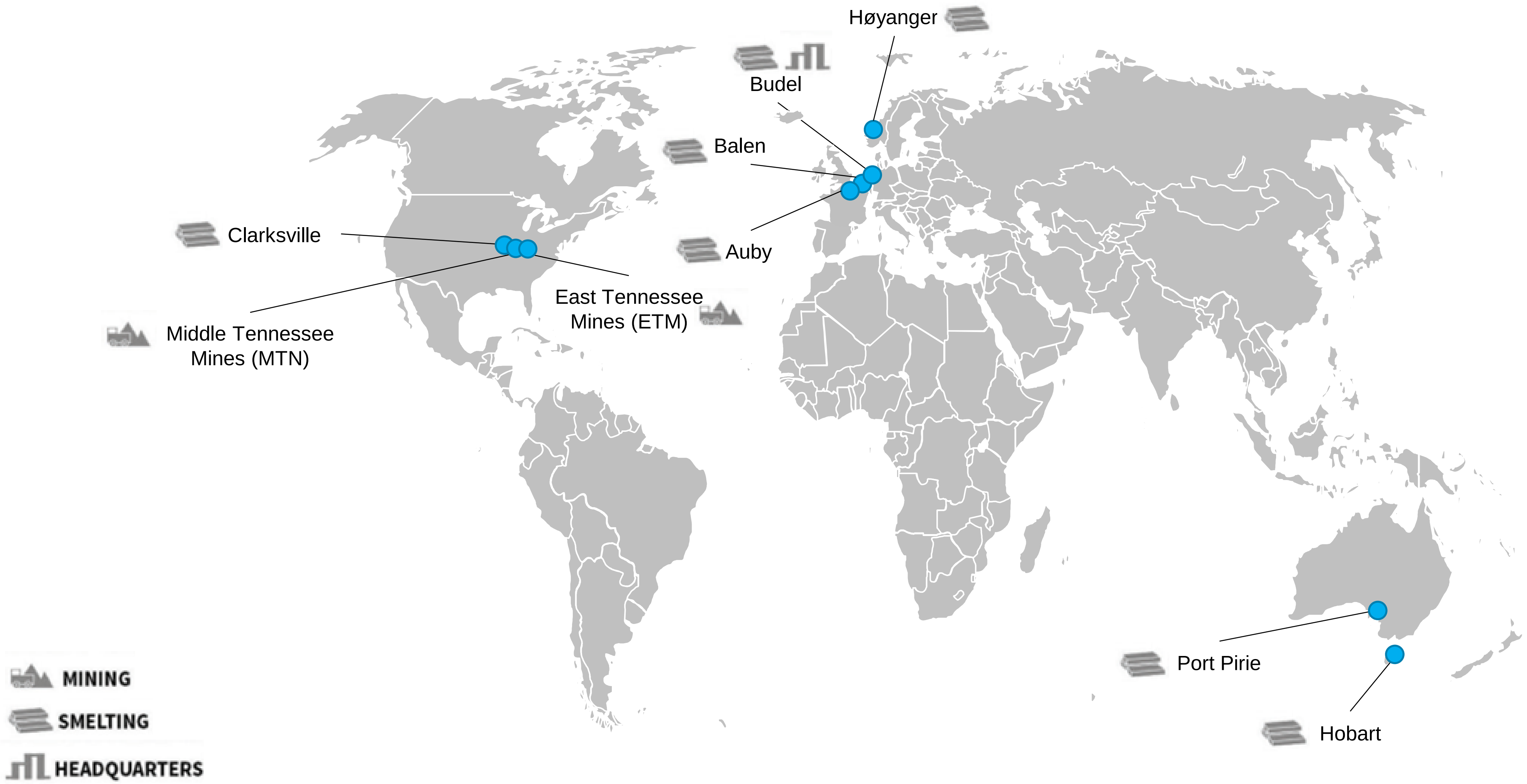



- In 2021 75,5% of the revenue was attributable to zinc (77,2% in 2020), followed by lead with 8,8% (8,4% in 2020).
- Zinc is mostly used to protect steel against corrosion, representing 60% of the zinc use worldwide. Furthermore, it is more and more used in the composition of batteries.

*Note that it is assumed that the EBITDA of Nyrstar Holdings & Financing (slide 16) and NN2 is 0 and therefore the P&L of NN2 equals the P&L of NNH.

# 3.2 COMPANY PROFILE NN2

## Geographical coverage



# 3.3 COMPANY ORGANIGRAM

nyrstar

## NN2 group organisation

- Smelting
- Mining
- Holdings and other activities

Nyrstar nv (NNV) 2%

Trafigura Group 98%

NN2 Newco Limited (NN2) 100%

Nyrstar Holdings & Financing 100%

Nyrstar Netherlands Holding (NNH) 100%

- Nyrstar International 100%
  - Nyrstar Ancash 100%
  - Nyrstar Peru real estate 100%
- Nyrstar Budel 100%
  - Budelco 100%
  - Buzifac 100%
  - Buzipon 100%
  - Buzisur 100%
- Nyrstar Høyanger 100%
- Nyrstar France trading 100%
  - Nyrstar Belgium 100%
  - Nyrstar Germany 100%
  - Nyrstar France 100%
  - Nyrstar Australia 100%
  - Nyrstar Hobart 100%
  - Nyrstar Port Pirie 100%
- Nyrstar Sales & Marketing 100%
  - Nyrstar Hong Kong 100%
- Nyrstar Finance International 100%
  - Nyrstar Peru sales & marketing 100%
  - Nyrstar Mexico sales & marketing 100%
- Nyrstar US 99,38%
  - Nyrstar US Trading 100%
  - Nyrstar Holdings 100%
  - Nyrstar Clarksville 100%
  - Nyrstar Tennessee Mines – Strawberry Plains 100%
  - Nyrstar Tennessee Mines – Gordonsville 100%

Source: 2022 02 01 Nyrstar – Post restructuring

# 3.3 COMPANY ORGANIGRAM

## Trafigura Group: key assets and investments

Trafigura Group

| | |
|---|---|
| Impala Terminals | A multimodal logistic provider focusing on export-driven emerging markets |
| Galena Asset Management | Provider of specialised alternative investment solutions through its investments in real assets and private equity funds |
| Trafigura | Owns and operates a number of mining assets, terminals and vessels that complement its core business activities |
| NN2 | Global multi-metal mining and smelting business with a market-leading position in zinc and lead |
| TFG Marine | Provider of premium marine fuels at key hubs along the world's major shipping routes |
| Nala Renewables | Invests in on-shore wind, solar and power storage projects |
| Puma Energy | Global oil and petroleum products company |

# 3.4 MARKET

## Metal market: trends

Thanks to the world transition into societies with low climate impact, the importance of base metals is expected to grow further:

- **Climate transition:** to achieve the goals set by the Paris agreement, the research company Wood Mackenzie estimates that investments totaling $ 50 trillion will be required during the next two decades. The majority of these investments are expected to be allocated to power generation, distribution and end-user electrical equipment. Because these types of infrastructure and products have a high metal content, a steady supply of raw materials is an essential condition for the climate transition. Wood Mackenzie predicts significant shortages in the supply of copper, zinc, nickel and other metals unless investment levels in existing production capacity are significantly increased.
- **Population growth**: as the global population grows, the demand for metals grows with it. Over the past 10 years, global population growth has been 1% per year, and this rate is expected to continue. By 2030, two thirds of the population are expected to live in cities. The combination of population growth, urbanisation and increased prosperity are strong drivers of global metal demand. Metals are not only required in the early stages of economic development in society, but also later. The growth in metal demand is at its highest when large population groups move from poverty to higher living standards and a middle class emerges.
- **Increased prosperity and economic growth**: greater prosperity is contingent upon an increased supply of electricity, heating and infrastructure, which continue to drive metal demand. More than half of the world’s population has a GDP per capita that is below or at the threshold where a country’s metal consumption seriously picks up speed. When a high proportion of a population begins to enjoy good living conditions, consumer needs change and an increasing share of income goes toward the purchase of advanced services and products. The growth in metal demand then abates, but demand remains strong as infrastructure must be constantly modernised and expanded, while demand for advanced products with high metal content such as batteries, electronics and means of transport increases.

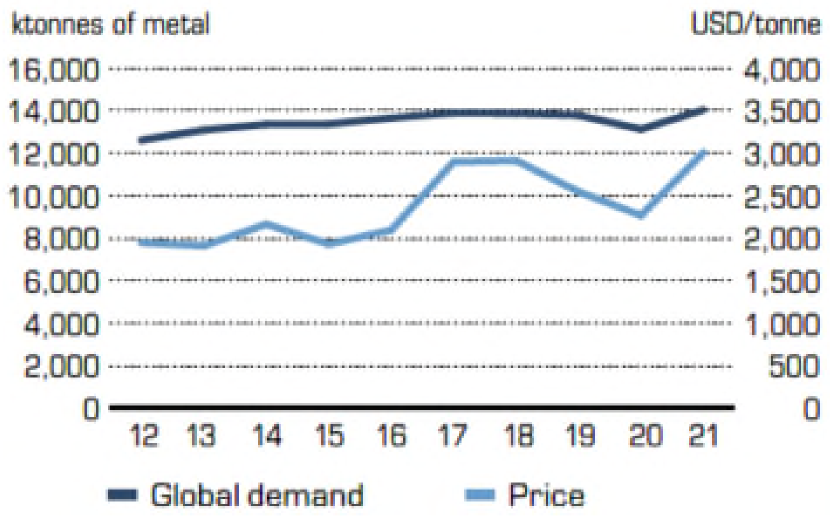
Sources: 2021 annual report Trafigura, 2021 annual report Boliden, 2021 annual report Tech Resources

# 3.4 MARKET

## Zinc market

Since around 75% of the turnover of NN2 is attributable to zinc, current and future trends and drivers of zinc are highlighted.

- On the one hand supply curtailments due to Covid-19 restrictions (easing after the first phase of the pandemic), ongoing outbreaks, energy price increases (major part of the variable costs for zinc smelters), etc. resulted in a limited supply and very low inventory levels toward the end of 2021. Total global exchange inventories remained well below historical levels, ending the year at 6,7 days of global consumption, compared to the 25-year average of 17,5 days.
- On the other hand, the demand was strong with notable strength in the mature markets of Europe and North America. Increased consumer spending and government funds to support Covid-19 recovery are propelling higher levels of activity than have been seen for several years in these locations.
- This resulted in zinc price increases, especially in the fourth quarter of 2021, reaching their highest level since 2018, rising from $ 2.327 to just under $ 3.130 per metric tonne. In H1 2022 zinc prices further increased to top at $4,500 per metric tonne (see slide 45), but decreased significantly since then to levels around $ 2.850 per metric tonne.

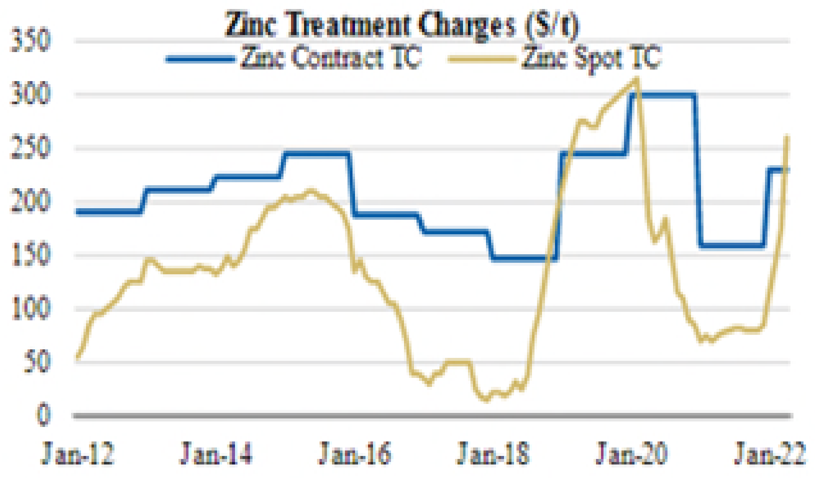



Sources: 2021 annual report Trafigura, 2021 annual report Boliden, 2021 annual report Tech Resources – figures 2022: NNV Management, Bloomberg - Zinc Smelters Win Big Fee Increase as Cutbacks Throttle Output

# 3.4 MARKET

## Zinc market

Global mined production stabilised during 2021 as the industry recovered from the extensive production disruptions related to the Covid-19 pandemic in 2020. The concentrate market remained tight as concentrate stocks were low, which resulted in significantly worse conditions for smelters when the new treatment charges in benchmark contracts were set at $ 159 per tonne of concentrate in 2021. In 2022 zinc smelters have won a major increase in treatment fees to $ 230 per tonne of concentrate after cutbacks in capacity across Europe and the U.S. throttled refined-metal output and helped lift prices to record highs. The sharp jump underlines the imbalance between relatively resilient mine supply and smelting curbs that have created shortages of the finished metal due to the spike in power prices. The latter is demonstrated by the average power costs for European zinc smelters which went up over 3 times in 2022 compared to H1 2021. Typically, energy costs represented 30-40% of operating costs. Currently the proportion is much larger given recent energy price increases




While the importance of base metals is expected to grow further, the sector is facing headwinds due to supply curtailments and rising energy prices. Looking ahead, Nyrstar Group will seek to stabilise production across its operations and will continue to make investments in catch-up and sustainability projects with a view to increasing its annual zinc production and recurring EBITDA in 2022.

Sources: 2021 annual report Trafigura, 2021 annual report Boliden, 2021 annual report Tech Resources – figures 2022: NNV Management, Bloomberg - Zinc Smelters Win Big Fee Increase as Cutbacks Throttle Output

# 4 Documents & Observations

# 4.1 KEY DOCUMENTS AND INFORMATION ITEMS

The valuation is mainly based on following key documents and interviews, see appendix 2 for more context:

| Document | Source | Date Information Received | Comment |
|---|---|---|---|
| *A1.1 NNV-NN2 Deed (June 19, 2019)* | NNV | 12.01.2022 | Deed for the sale and purchase of shares and assets held by Nyrstar nv |
| *A1.2 NNV-Trafigura Deed (June 19, 2019)* | NNV | 15.04.2022 | Pursuant to the NNV-Trafigura Deed, the Company and Trafigura agreed that Nyrstar Holdings would grant the Company an option to require Nyrstar Holdings (or, at Nyrstar Holdings election, any other member of the Trafigura group which may lawfully make any relevant bid) to purchase the Company's entire equity stake. |
| *A1.3 Put Option Deed (June 25, 2019)* | NNV | 06.01.2022 | The terms of the option are set out in a separate deed dated 25 June 2019 between the Company, Trafigura and Nyrstar Holdings. |
| *A1.4 NNV - Cash Forecast* | NNV | 20.04.2022 | Cash forecast, including 2 scenarios: exercising the Put Option and not exercising the Put Option. |
| *A1.5 NNH Consolidated Financial Statements* | NNH | 14.03.2022 | Nyrstar Netherlands (Holding) Special Purpose Consolidated Financial Statements (2020 and 2021) |
| *A1.6 NN2 Business Plan FY2022-2027* | NNH | 05.04.2022 | Including assumptions on metal prices and EBITDA, CAPEX and free cash flow forecasts for the period 2022-2027 per location. |
| *A1.7 NNH Current trading 31.05.2022* | NNH | 20.06.2022 | NNH Current trading 31.05.2022 |

| Meeting | Source | Date | Comment |
|---|---|---|---|
| Interview with NNV Management | NNV | 01.04.2022 | Meetings to discuss information received, historical figures and business plan. |
| Interview with NNH Management | NNH | 13.04.2022 | Meeting to discuss information received, historical figures and business plan. |

# 4.2 KEY OBSERVATIONS

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| Description | Observation |
|---|---|
| Minority stake | The equity stake of Nyrstar nv concerns a 2% minority investment in a subsidiary (NN2) of a large group (Trafigura Group). As such, no significant rights are attached to this shareholding other than what is agreed under the NNV-Trafigura Deed and the Put Option agreement. |
| Market approach | Nyrstar has the possibility to sell its 2% equity stake in NN2 to other parties than NN2. On 18 November 2021, Nyrstar sent out a press release announcing that the Committee of Independent Directors would also duly consider any substantiated third-party bids. Furthermore, according to our knowledge, after the annual report published on 13 April 2022, the press release of 27 May 2022 and the annual general shareholders' meeting held on 28 June 2022 no such bid has been received. |
| Discontinuity basis | The financial statement of Nyrstar nv has been prepared on a discontinuity basis as a result of the decision of the extraordinary shareholders' meeting of 9 December 2019. The meeting rejected the continuation of the Company's activities despite the Company's Board of Directors proposition to continue the Company's business operations. |
| Related party transactions | Based on the Company's input, the financial statements and the input of the management of Trafigura, it is assumed that all NN2 transactions with related parties are concluded at an 'at arm's length basis' in terms of prices, payment and delivery terms, etc. |
| Organisation structure | NN2 is composed of smelters, miners and other corporate activities. Given the scope of the information received, the valuation is performed on NN2 as an integrated activity. We have selected a peer group in line with this approach, in which many of the companies combine a similar set of activities as NN2 does. We have not been able to estimate to what extent a combination of individual sales of NN2 subsidiaries would be feasible and would potentially lead to a higher value. However, we understand neither Trafigura nor NN2 are considering selling the individual entities separately to maximise shareholder value and Nyrstar has no power to enforce such approach (in the case it would be beneficial). |
| CAPEX | Before the restructuring was finalised on 31 July 2019, Nyrstar was loss-making and experiencing cash constraints. We understand that during this period, capital investments have been limited. The actual figures and projections show substantially higher capex than in the recent past. This has an important effect on the valuation as these investments contribute to a higher net debt position today whereas potentially rising margins will mostly be realised in the future. |
| Business plan | The free cash flows in the DCF valuation of the 2% equity stake of Nyrstar in NN2 are based on the Nyrstar business plan 2022-2027 provided by NNH (except for changes in the net working capital). |

# 5 Valuation NN2

# 5.1 VALUATION CONSIDERATIONS

- Moore Corporate Finance uses various valuation methods, including the Discounted Cash Flow method and the Corrected Net Assets, which we test against ratios (multiples) and the comparison of which leads us to a conclusion.

- The valuation methods are chosen based on the considerations below:

  - Given the availability of a business plan until 2027 and the future profitability, the Discounted Cash Flow method which is based on future cash flows and returns is applied.

  - Both historical and forward-looking EBITDA amounts are used and multiplied with trading and transaction multiples given the high number of listed peers and the availability of relevant historical transactions.

  - Due to the nature of the business, NN2 generates low return on assets. Therefore, the Corrected Net Assets method is considered.

# 5 Valuation NN2

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

nyrstar

## General

- The discounted cash flow method ("DCF") is a valuation method that discounts the projected free cash flows ("FCF") generated by the operations, irrespective of the company's financial structure (i.e. remuneration of the shareholders and financial debt providers). The cash flows are projected over a specific period in time (hereinafter the "Forecast Period") taking into account the predictability (risk) of the cash flows over time.

- At the end of the Forecast Period, the perpetual value of the company or business is calculated.

- The free cash flows are discounted using the Weighted Average Cost of Capital (WACC). The WACC is computed using returns by the providers of equity and financial debt (interest bearing). In calculating the WACC, the rate required by the providers of external funding is taken on a net of tax basis. This reflects the fact that the interest paid is tax deductible and compensates for the fact that the tax (on operating income) as deducted from the free cash flow is higher than the actual tax payable by the company on its net taxable income.

- Through the DCF methodology, the Enterprise Value is obtained by summing up the discounted future free cash flows and the perpetual value.

- The free cash flows to be discounted are the future operational free cash flows computed as follows:

| | |
|---|---|
| | Earnings before interest and taxes (EBIT) |
| - | Adjusted taxes on operating result |
| = | Net operating profit less adjusted taxes (NOPLAT) |
| + | Depreciations |
| - | CAPEX |
| ± | Changes in net working capital |
| | Free cash flow (FCF) |

- The DCF method is based on future cash flows which have to be estimated at date of valuation. In order to be able to apply this valuation method, a detailed business plan needs to be prepared by the management of the company.

- The equity value of the company or the value of the total shares also reflects the net debt (debt minus cash), as well as the fair value of the investments in affiliates.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Historical audited figures of NNH: P&L

| (in m$) | Historical | |
|---|---|---|
| | 2020 | 2021 |
| Revenue | 3 074 | 4 159 |
| ***Other operating income*** | ***19*** | ***9*** |
| Gain on disposal of subsidiaries | 14 | 0 |
| Gain on sale of PP&E | 3 | 2 |
| Sale of CO2 rights | 0 | 5 |
| Other | 3 | 2 |
| **Total Revenue** | **3 093** | **4 168** |
| *Growth %* | | 34,73% |
| Raw material, consumables and finished goods | -2 183 | -3 375 |
| **Gross profit** | **911** | **793** |
| *GM %* | *29,45%* | *19,02%* |
| Employee benefits expenses | *-358* | *-359* |
| Contracting and consultancy expenses | *-206* | *-208* |
| Other expenses | *-1* | *-1* |
| **Operational cash flow (EBITDA)** | **346** | **225** |
| *EBITDA %* | *11,20%* | *5,39%* |
| D&A | -211 | -230 |
| Impairment | -45 | -8 |
| **Operational result (EBIT)** | **90** | **-13** |
| *EBIT%* | *2,91%* | *-0,30%* |

Note that the financial year runs from the first of October until the end of September. Therefore 2021 refers to 01.10.2020 until 30.09.2021, etc.

### Comments

**General**

NNH became the parent entity of the Nyrstar Group as a result of the acquisition by Trafigura in 2019. It prepared special purpose consolidated financial statements for the first time for the financial period ended 30 September 2019.

**Total revenue**

The total revenue increased by 34,73% in 2021 to reach m$ 4.168. This is mostly thanks to a zinc price increase and to a lesser extent linked to an increase in volume.

In 2021 75,5% of the revenue was attributable to zinc, followed by lead with 8,8% and silver with 5,9%.

**Gross profit**

Despite the increase in total revenue, the gross profit decreased mostly due to energy price increases. Energy historically represented around 1/3th of the direct operating cost in the smelting activities, however, that share has increased in the current market environment.

**EBITDA (%)**

The EBITDA decreases from m$ 346 to m$ 225 which equals an EBITDA margin of 5,39% in 2021.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Historical audited figures of NNH: balance sheet - assets

| (in m$) | Historical 2020 | Historical 2021 |
|---|---|---|
| **Non-current assets** | **1 801** | **1 960** |
| PP&E | 1 649 | 1 703 |
| Right of use assets | 54 | 134 |
| Intangible assets | 6 | 6 |
| Investments in equity accounted investees | 2 | 0 |
| Other investments | 3 | 5 |
| Derivatives | 22 | 45 |
| Trade and other receivables | 0 | 6 |
| Deferred income tax assets | 31 | 36 |
| Restricted cash | 34 | 26 |
| **Current assets** | **1 529** | **1 694** |
| Inventories | 1 018 | 1 322 |
| *Raw materials* | 413 | 582 |
| *WIP* | 388 | 551 |
| *Finished goods* | 83 | 85 |
| *Stores and consumables* | 133 | 105 |
| Trade and other receivables | 355 | 246 |
| Derivatives | 107 | 85 |
| Current income tax assets | 1 | 0 |
| Cash and cash equivalents | 49 | 40 |
| **Total assets** | **3 329** | **3 654** |

Note that the financial year runs from the first of October until the end of September. Therefore 2021 refers to 01.10.2020 until 30.09.2021, etc.

| Comments | |
|---|---|
| **PP&E** | In 2021 the PP&E is composed of: land and buildings (m$ 174,1); plant and equipment (m$ 1.269,6); mining properties and development (m$ 40,6); under construction (m$ 77,8) and cyclical maintenance & other (m$ 77,8). |
| **Right of use assets** | In 2021, these consist of: land and buildings (m$ 63,0); plant and equipment (m$ 70,1); motor vehicles (m$ 1,2) and cyclical maintenance & other (m$ 0,1). The increase from 2020 to 2021 is mainly attributable to additions in land and buildings (m$ 48,7) and plant and equipment (m$ 59,9). |
| **(Non-) Current derivatives** | These are composed of futures (m$ 72,6), physical forwards (m$ 4,1) and cross-currency swaps (m$ 52,7). |
| **(Non-) Current deferred income tax assets** | These are mostly linked to derivatives and other liabilities. |
| **Inventories** | In absolute amounts, the inventories increase from m$ 1.018 in 2020 to m$ 1.322 in 2021 impacting the NWC position. In relative terms the number of days stock decreases from 170 days in 2020 to 143 in 2021. |
| **Trade & other receivables** | The number of days receivable outstanding equals 35 days in 2020 and 18 in 2021. The decrease in trade & other receivables impacts the NWC position. |

## Historical audited figures of NNH: balance sheet - liabilities

| (in m$) | Historical 2020 | 2021 |
|---|---|---|
| **Total equity** | **184** | **23** |
| Share capital and share premium | 3 327 | 3 327 |
| Reserves | 2 | -82 |
| Accumulated losses | -3 149 | -3 145 |
| Result for the year | 5 | -76 |
| **Non-current liabilities** | **1 599** | **1 695** |
| Loans and borrowings | 1 256 | 1 313 |
| Trade and other payables | 17 | 7 |
| Derivatives | 95 | 145 |
| Provisions | 98 | 115 |
| Employee benefits | 65 | 53 |
| Deferred income tax liabilities | 68 | 63 |
| **Current liabilities** | **1 546** | **1 936** |
| Loans and borrowings | 64 | 157 |
| Trade and other payables | 811 | 1 063 |
| Derivatives | 93 | 145 |
| Provisions | 15 | 12 |
| Current income tax liabilities | 36 | 34 |
| Employee benefits | 38 | 42 |
| Prepayments | 489 | 484 |
| **Total liabilities** | **3 329** | **3 654** |

Note that the financial year runs from the first of October until the end of September. Therefore 2021 refers to 01.10.2020 until 30.09.2021, etc.

### Comments

| | |
|---|---|
| **Total equity** | The total comprehensive loss of 2021 equals m$ -161 resulting in a decrease of the total equity position. |

### Comments

| | |
|---|---|
| **(Non-) Current Loans & borrowings** | In 2021 these are attributable to: structured commodity trade finance facility (m$ 645,7); subordinated shareholder loan (m$ 248,4); new money revolving facility (m$ 179,7); lease liabilities (m$ 135,1); senior multi-tranche facility (m$ 102,0); revolving credit facility (m$ 100,0), shareholder facility (m$ 53,5) and other loans (m$ 4,7). The (non-) current loans & borrowings increase with m$ 150 from 2020 (m$ 1.320) to 2021 (m$ 1.470). |
| **(Non-) Current trade & other payables** | In absolute amounts, the trade & other payables increase from m$ 828 in 2020 to m$ 1.070 in 2021 impacting the NWC position. The number of days payable outstanding equals 102 days in 2020 and 90 days in 2021. |
| **(Non-) Current derivatives** | These consist of futures (m$ 82,9), OTC derivatives (m$ 124,9), cross-currency swaps (m$ 74,5) and other derivatives (m$ 7,2). The (non-) current derivatives increase from m$ 188 in 2020 to m$ 290 in 2021 impacting the NWC position. |
| **(Non-) Current provisions** | The provisions can be split into workers compensations (m$ 11,2) and restoration, rehabilitation & decommissioning (m$ 108,9). The provisions increase from m$ 98 in 2020 to m$ 115 in 2021 impacting the net debt position. |
| **(Non-) Current employee benefits** | The employee benefits are mostly attributable to: defined benefit plans (m$ 46,6), annual leave and long service leave (m$ 26,2) and annual bonus (m$ 14). |
| **Prepayments** | The prepayments are mostly related to the revolving prepayment tranche as agreed under the Trafigura financing facility agreement with Trafigura (m$ 446,7). The remaining m$ 36,9 relates to prepayments received from various counterparties. |

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Historical audited figures and normalisations of NNH

| (in m$) | Historical 2020 | Historical 2021 | Normalised 2020 | Normalised 2021 |
|---|---|---|---|---|
| Revenue | 3 074 | 4 159 | 3 074 | 4 159 |
| ***Other operating income*** | ***19*** | ***9*** | ***3*** | ***7*** |
| Gain on disposal of subsidiaries | 14 | 0 | 0 | 0 |
| Gain on sale of PP&E | 3 | 2 | 0 | 0 |
| Sale of CO2 rights | 0 | 5 | 0 | 5 |
| Other | 3 | 2 | 3 | 2 |
| **Total Revenue** | **3 093** | **4 168** | **3 077** | **4 166** |
| *Growth %* | | *34,73%* | | *35,39%* |
| Raw material, consumables and finished goods | -2 183 | -3 375 | -2 190 | -3 378 |
| | 71% | 81% | 71% | 81% |
| **Gross profit** | **911** | **793** | **887** | **788** |
| *GM %* | *29,45%* | *19,02%* | *28,84%* | *18,92%* |
| Employee benefits expenses | *-358* | *-359* | *-358* | *-359* |
| Contracting and consultancy expenses | *-206* | *-208* | *-206* | *-208* |
| Other expenses | *-1* | *-1* | *0* | *0* |
| **Operational cashflow (EBITDA)** | **346** | **225** | **323** | **221** |
| *EBITDA %* | *11,20%* | *5,39%* | *10,51%* | *5,31%* |
| D&A | -211 | -230 | -211 | -230 |
| Impairment | -45 | -8 | -45 | -8 |
| **Operational result (EBIT)** | **90** | **-13** | **67** | **-16** |
| *EBIT%* | *2,91%* | *-0,30%* | *2,17%* | *-0,39%* |

### Comments

The following normalisations are applied in 2020 – 2021:

- Gain on disposal of subsidiaries: non-recurring item (m$ 14 in 2020)
- Gain on sale of PP&E: non-recurring item (m$ 3 in 2020 and k€ 2 in 2021)
- Raw material, consumables and finished goods: various entries including additional environmental provisions (m$ 7 in 2020)
- Other expenses: loss on sale of PP&E which is non-recurring (m$ 1 in 2020 and 2021)

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Interim figures until May 2022 of NNH

| (in m$) | Historical 31.05.2022 |
|---|---|
| Revenue | |
| *Other operating income* | |
| Gain on disposal of subsidiaries | |
| Gain on sale of PP&E | |
| Sale of CO2 rights | |
| Other | |
| **Total Revenue** | |
| *Growth %* | |
| Raw material, consumables and finished goods | |
| **Gross profit** | **924** |
| *GM %* | |
| Employee benefits expenses | -239 |
| Contracting and consultancy expenses | -578 |
| Other expenses | |
| **Operational cashflow (EBITDA)** | **107** |
| *EBITDA %* | |
| D&A | -145 |
| Impairment | |
| **Operational result (EBIT)** | **-38** |
| *EBIT%* | |

- We did receive interim results as per 31 May 2022, that are significantly lower than the projections in the business plan 2022-2027. Again, it was not possible to perform a like-for-like analysis of the historical and forecasted figures.
- The contracting and consultancy expenses include the costs related to energy (m$ 280,9), stores (m$ 133,0), external services (m$ 144,2) and other operating costs (m$ 20,0). When extrapolating the energy costs, this would result in an energy cost of m$ 421,4 in the financial year 2022 vs. m$ 315,7 in 2021 implying an increase of 33,5%. In 2020 the energy costs equal m$ 246,3.
- Based on the input of Mr. Karl Söderberg, the interim results as per 31 May 2022 are below budget because of the following reasons:
  - Although the TSL furnace in Port Pirie was the original bottleneck and is now performing, downstream issues at the Blast furnace and slag fumer are causing major free metal volume losses and increased maintenance costs.
  - Problems at the smelting activities in Hobart, especially in the beginning of the financial year.
  - The Clarksville roaster and acid plant issues were originally scheduled to be resolved after the maintenance stop in May but had to be postponed to September.
  - The ETN ramp up is much slower than anticipated following the fatalities and change of mining methods.
  - On top of the above very high electricity prices in Europe as well as coal and coke prices in Australia together with cost inflation all over the operations are causing discrepancies between the actual and budgeted figures.
- At the same time, the zinc treatment charges have substantially increased (see slide 43 - 44) and the actual zinc prices have fluctuated outside the model prices (see slide 46). These movements should – ceteris paribus – have had a positive effect on the NN2 results compared to the business plan, which is apparently offset by the other effects summarised above.
- Given the contradictions above, a sensitivity analysis is performed on slide 49 – 50 considering different EBITDA level scenarios for 2022 and/or 2023 as a “catch all” for movements in plus and minus, whether TC, commodity prices, FX, energy, etc.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Normalised historical audited figures and forecast*

| (in m$) | Normalised | | Budget | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Revenue | 3 074 | 4 159 | | | | | | |
| ***Other operating income*** | *3* | *7* | | | | | | |
| Gain on disposal of subsidiaries | 0 | 0 | | | | | | |
| Gain on sale of PP&E | 0 | 0 | | | | | | |
| Sale of CO2 rights | 0 | 5 | | | | | | |
| Other | 3 | 2 | | | | | | |
| **Total Revenue** | **3 077** | **4 166** | | | | | | |
| *Growth %* | | *35,39%* | | | | | | |
| Raw material, consumables and finished goods | -2 190 | -3 378 | | | | | | |
| **Gross profit** | **887** | **788** | **1 516** | **1 551** | **1 580** | **1 618** | **1 645** | **1 636** |
| *GM %* | *28,84%* | *18,92%* | | | | | | |
| Employee benefits expenses | *-358* | *-359* | *-362* | *-364* | *-366* | *-367* | *-369* | *-369* |
| Contracting and consultancy expenses | *-206* | *-208* | *-864* | *-843* | *-820* | *-826* | *-827* | *-822* |
| *Other expenses* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |
| **Operational cashflow (EBITDA)** | **323** | **221** | **290** | **345** | **394** | **424** | **449** | **446** |
| *EBITDA %* | *10,51%* | *5,31%* | | | | | | |
| D&A | -211 | -230 | -189 | -203 | -220 | -236 | -223 | -190 |
| Impairment | -45 | -8 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Operational result (EBIT)** | **67** | **-16** | **102** | **142** | **174** | **189** | **227** | **256** |
| *EBIT%* | *2,17%* | *-0,39%* | | | | | | |

*Note that it is assumed that the EBITDA of Nyrstar Holdings & Financing and NN2 is 0 and therefore the P&L of NN2 equals the P&L of NNH.

- Based on the business plan 2022–2027, the EBITDA is defined.
- The budgeted contracting and consultancy expenses include the costs related to energy, stores, external services, other operating costs and corporate costs. Note that based on the annual accounts of 2020-2021, it is not clear which costs are incorporated in the historical contracting and consultancy expenses due to insufficient details. Therefore, a like-for-like analysis is not possible.
- The EBITDA grows from m$ 221 in 2021 to m$ 446 in 2027, implying an annual growth rate of 12,4%.
- Note that while we do notice swings in the past, this business plan does not consider cyclicality.
- As we only received the business plan with hard coded figures, we were not able to perform integrity checks or margin analysis on the figures, neither could we perform sensitivity analysis on the macros and inputs linked to the business plan.
- While further options are being analysed, the business plan does not consider running Hoyanger. No running, nor closing costs are included.
- Langlois and Myra Falls are not a part of NNH anymore since these two mines, together with historical legacy mining sites and their associated environmental obligations, have been sold to another Trafigura Group subsidiary in September 2020. Therefore, these mines do not impact this valuation exercise. The mines were loss-making and non-core to the Nyrstar Group. The total cash consideration paid in full by Trafigura was m$ 22,0 vs. an aggregated net asset value of m$ 8,1 which resulted in a gain on disposal of m$ 13,9.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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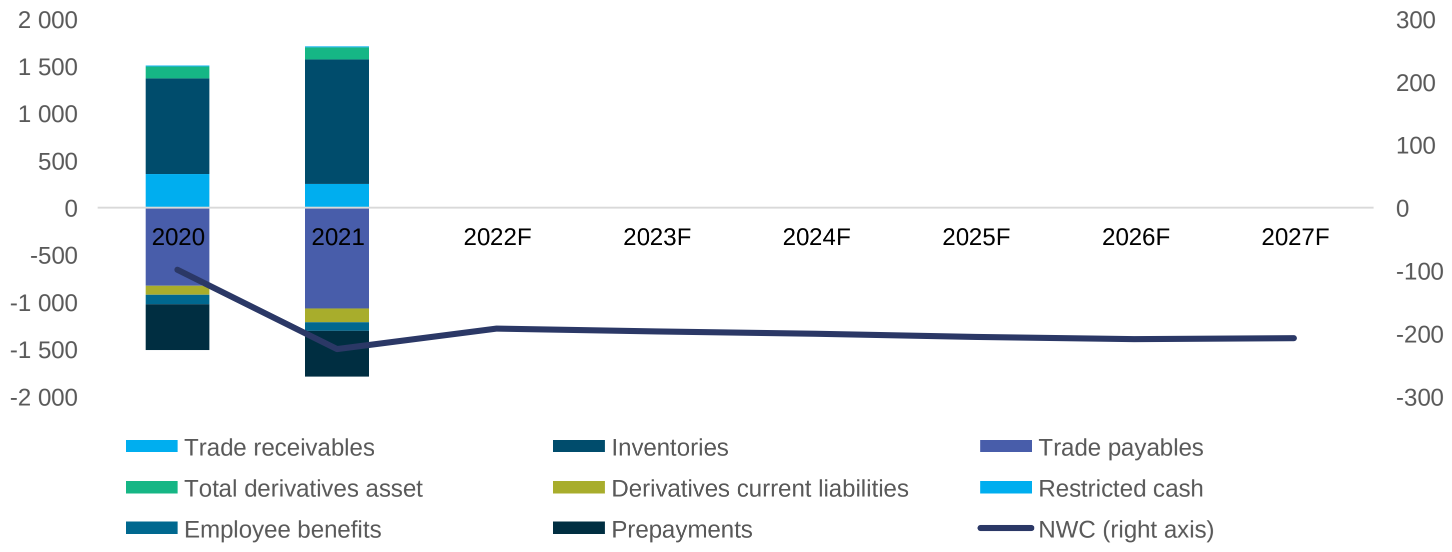
## Net working capital (NWC)

- Generally, NWC is expressed in relation to turnover. As we did not receive the forecasted turnover, gross profit is used as a proxy to calculate the future NWC position. NWC as a percentage of gross profit decreases from -8% in 2020 to -18% in 2021, mostly due to a decrease in trade receivables and inventories, and an increase in trade payables and total derivatives liabilities. The average of NWC over 2020 – 2021 equals -13% as a percentage of gross profit and is used to calculate the future NWC position. The change in these future NWC positions are included in the free cash flows.

- Besides the trade receivables, trade payables and inventories, the following balance sheet items are considered as NWC:
  - Derivates: short term price hedging for metal (4 to 6 months, during period of production)
  - Restricted cash: cash reserved for shipments
  - Employee benefits: defined benefit plans, annual leave, long service leave and annual bonus
  - Prepayments: mostly related to the revolving prepayment tranche as agreed under the Trafigura financing facility agreement with Trafigura. These prepayments will be settled with the delivery of goods.




- In our calculation we do not consider NWC as a cash-like item for DCF purposes since we already include it in the free cash flow calculation. If the NWC position would be included in the DCF analysis as a cash-like item, this would be a double-counting: once with adding the NWC position as a cash-like item to calculate the equity value and once in the future free cash flows to calculate the enterprise value.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Free Cash Flows

- The free cash flows (except for the change in net working capital requirement) are based on the business plan 2022 – 2027.
- Note that Mr. Karl Söderberg confirmed in one of the NNH management interview sessions that the investment of 400 million AUD in a new electrolysis plant in Hobart announced on 28 April 2022* was not included in the CAPEX of the business plan 2022 – 2027.
- Equally, the impact of the acquisition by Trafigura of Ecobat Resources Stolberg GmbH (ERS), which is announced to be operated and managed in the future by Nyrstar (6 July 2022**), is not known. Note that this acquisition is apparently not realised through a company within the NN2 group.
- The free cash flows contain nominal values, therefore the WACC should also be nominal.

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| Operational result (EBIT) | 102 | 142 | 174 | 189 | 227 | 256 |
| - Income Taxes | -32 | -37 | -37 | -42 | -48 | -50 |
| + Depreciation, amortisation & provision | 189 | 203 | 220 | 236 | 223 | 190 |
| - Capital expenditures | -270 | -254 | -242 | -232 | -194 | -189 |
| +/- Change in net working capital requirement | -32 | 4 | 4 | 5 | 4 | -1 |
| **Free cash flow** | **-44** | **59** | **119** | **156** | **212** | **205** |

*Source: https://www.trafigura.com/press-releases/new-electrolysis-plant-to-secure-future-of-zinc-refining/
** Source: https://www.trafigura.com/press-releases/ecobat-announces-sale-of-stolberg-multi-metals-processing-plant-to-be-operated-by-nyrstar-a-trafigura-group-company/?utm_medium=email&utm_campaign=Ecobat%20announces%20sale%20of%20Stolberg&utm_content=Ecobat%20ann.

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## WACC based on peer group

The DCF method discounts the budgeted free cash flows using the Weighted Average Cost of Capital (WACC). To calculate the WACC, 2 methodologies are applied. The first one considers the beta and D/E ratio of the peer group. This peer group are listed smelting and mining companies with similar characteristics to NN2.

| Peer | Beta 5y (monthly) | D/E | Statutory income tax rate | Unlevered beta |
|---|---|---|---|---|
| Boliden AB (publ) (OM:BOL) | 1,28 | 14,70% | 20,60% | 1,15 |
| Sumitomo Metal Mining Co., Ltd. (TSE:5713) | 1,42 | 21,30% | 30,62% | 1,24 |
| Korea Zinc Company, Ltd. (KOSE:A010130) | 0,58 | 9,10% | 28,00% | 0,54 |
| Glencore plc (LSE:GLEN) | 1,52 | 94,10% | 14,93% | 0,84 |
| Inner Mongolia Xingye Mining Co., Ltd. (SZSE:000426) | 0,96 | 36,80% | 25,00% | 0,75 |
| Mitsui Mining & Smelting Co., Ltd. (TSE:5706) | 1,45 | 90,80% | 30,62% | 0,89 |
| Toho Zinc Co., Ltd. (TSE:5707) | 1,44 | 144,70% | 30,62% | 0,72 |
| Western Mining Co.,Ltd. (SHSE:601168) | 0,96 | 125,00% | 25,00% | 0,50 |
| Industrias Peñoles, S.A.B. de C.V. (BMV:PE&OLES *) | 0,72 | 64,80% | 30,00% | 0,50 |
| Hindustan Zinc Limited (BSE:500188) | 0,74 | 8,30% | 30,00% | 0,70 |
| Hudbay Minerals Inc. (TSX:HBM) | 1,85 | 80,50% | 26,50% | 1,16 |
| Tibet Summit Resources Co.,Ltd. (SHSE:600338) | 0,53 | 8,80% | 25,00% | 0,50 |
| Teck Resources Limited (TSX:TECK.B) | 1,06 | 37,80% | 26,50% | 0,83 |
| First Quantum Minerals Ltd. (TSX:FM) | 1,99 | 65,30% | 26,50% | 1,34 |
| Nexa Resources S.A. (NYSE:NEXA) | 1,51 | 94,00% | 24,94% | 0,89 |
| Zijin Mining Group Company Limited (SEHK:2899) | 1,46 | 89,70% | 25,00% | 0,87 |
| MMG Limited (SEHK:1208) | 3,00 | 163,70% | 30,00% | 1,40 |
| Newmont Corporation (NYSE:NEM) | 0,36 | 28,70% | 27,00% | 0,30 |
| Henan Yuguang Gold&Lead Co.,Ltd. (SHSE:600531) | 1,04 | 169,90% | 25,00% | 0,46 |
| **Median** | | **65,30%** | **26,50%** | **0,83** |

- The betas of the listed peers are unlevered based on their D/E ratio and statutory income tax rate.
- The median unlevered beta of the peer group is relevered considering the D/E ratio of the peer group and the tax rate of NN2 (25,61%). Note that the beta is relevered with the D/E ratio of the peer group and not the company-specific D/E ratio since the WACC should not be impacted by the current and future financing structure. Furthermore, the organisation and financing structure of Nyrstar, part of the Trafigura group and mainly financed by Trafigura, results in a high debt position compared to the equity position (D/E ratio of 6251% per 30/09/2021).
- This results in a relevered beta of **1,23**.

Source: Capital IQ

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## WACC based on peer group

Based on the beta and D/E ratio of the peer group, the WACC equals 10,18%.

| Indicative WACC Calculation | | | Comment |
|---|---|---|---|
| Risk free return | Rf (%) | 2,14% | 6-month average of 10-year US bond yield |
| Relative volatility of industry to market | ß | 1,23 | Beta of peer group relevered based on D/E ratio peer group and tax rate of NN2 |
| Average return on the stock exchange | Rm (%) | 6,38% | Market risk premium of mature markets (Damodaran) |
| Country risk premium | CRP | 0,24% | Country Risk Premium weighted based on YTD May 2022 EBITDA (Damodaran) |
| Additional company specific return | Ri (%) | 7,00% | Company specific return based on 7 company specific factors (*) |
| **Required return** | **K (%)** | **14,61%** | |
| Proportion own funding | Equity (%) | 60,50% | D/E ratio peer group |
| Proportion external funding | Debt (%) | 39,50% | D/E ratio peer group |
| Cost of external funding | r (%) | 4,58% | US Corporate BBB Effective Yield |
| Tax rate | t (%) | 25,61% | Weighted tax rate of countries in which YTD May 2022 EBITDA of NN2 is positive (Damodaran) |
| **Weighted average cost of capital** | **WACC (%)** | **10,18%** | |

Since we do not have a view on the timing of the cash flows over each given year, both mid-year and end-of-year discount factors are applied based on the WACC of 10,18%.

| Discount factor based on WACC peer group | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| End-of-year discount factor | 0,97 | 0,88 | 0,80 | 0,72 | 0,66 | 0,60 |
| Mid-year discount factor | 0,98 | 0,89 | 0,81 | 0,74 | 0,67 | 0,61 |

*(*) Calculating the Company Specific Risk Ri (Highland & Global, Miami, USA, 2004 - adapted)*

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## WACC based on industry

The second method to calculate the WACC, considers the beta and D/E ratio of the smelting and mining industry (**). On this basis, the WACC equals 11,68%

| Indicative WACC Calculation | | | Comment |
|---|---|---|---|
| Risk free return | Rf (%) | 2,14% | 6-month average of 10-year US bond yield |
| Relative volatility of industry to market | ß | 1,05 | Beta of metals & mining industry (Damodaran) relevered based on industry D/E ratio (Damodaran) |
| Average return on the stock exchange | Rm (%) | 6,38% | Market risk premium of mature markets (Damodaran) |
| Country risk premium | CRP | 0,24% | Country Risk Premium weighted based on YTD May 2022 EBITDA (Damodaran) |
| Additional company specific return | Ri (%) | 7,00% | Company specific return based on 7 company specific factors (*) |
| **Required return** | **K (%)** | **13,83%** | |
| Proportion own funding | Equity (%) | 79,38% | D/E Ratio of metals & mining industry (Damodaran) |
| Proportion external funding | Debt (%) | 20,62% | D/E Ratio of metals & mining industry (Damodaran) |
| Cost of external funding | r (%) | 4,58% | US Corporate BBB Effective Yield |
| Tax rate | t (%) | 25,61% | Weighted tax rate of countries in which YTD May 2022 EBITDA of NN2 is positive (Damodaran) |
| **Weighted average cost of capital** | **WACC (%)** | **11,68%** | |

- The beta of the metal and mining industry which equals 1,1x is unlevered based on the D/E ratio of the industry (25,98%) and the industry effective tax rate of 4,40%.
- The unlevered beta of the industry is relevered considering the D/E ratio of the industry and the tax rate of NN2 (25,61%).
- This results in a relevered beta of **1,05**.

Since we do not have a view on the timing of the cash flows over each given year, both mid-year and end-of-year discount factors are applied based on the WACC of 11,68%.

| Discount factor based on WACC industry | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| End-of-year discount factor | 0,96 | 0,86 | 0,77 | 0,69 | 0,62 | 0,55 |
| Mid-year discount factor | 0,98 | 0,88 | 0,79 | 0,70 | 0,63 | 0,57 |

*(*) Calculating the Company Specific Risk Ri (Highland & Global, Miami, USA, 2004 - adapted)*
*(**) pages.stern.nyu.edu/~adamodar/*

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## Enterprise value

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| Operational result (EBIT) | 102 | 142 | 174 | 189 | 227 | 256 |
| - Income Taxes | -32 | -37 | -37 | -42 | -48 | -50 |
| + Depreciation, amortisation & provision | 189 | 203 | 220 | 236 | 223 | 190 |
| - Capital expenditures | -270 | -254 | -242 | -232 | -194 | -189 |
| +/- Change in net working capital requirement | -32 | 4 | 4 | 5 | 4 | -1 |
| **Free cash flow** | **-44** | **59** | **119** | **156** | **212** | **205** |

| | Peers | Peers mid-year | Industry | Industry mid-year |
|---|---|---|---|---|
| WACC | 10,18% | | 11,68% | |
| Terminal value | **2 297** | | **1 971** | |
| **Enterprise value (in m$)** | **1 876** | **1 906** | **1 575** | **1 604** |

- The free cash flow generated in 2022 is taken into account for 4/12th in the enterprise value calculation since the other 8/12th is included in the bridge between 30.09.2021 and 31.05.2022.
- The terminal value calculation of the smelters assumes an infinite lifetime which cannot be assumed for the mines. Therefore, the terminal value calculation makes a distinction between both activities:
  - The terminal value of the smelters starts from the free cash flows generated in 2027 and assumes these are recurring. The perpetual growth rate equals the weighted expected inflation of the smelters in 2027 of 1,98%. Since perpetual growth is assumed, change in net working capital requirement is also taken into account. This results in a perpetual free cash flow for the smelters of m$ 170 and a terminal value for the smelters between m$ 1.785 and m$ 2.111 depending on the applied WACC.
  - The terminal value of the mining activities is based on the business plan 2022–2027. This results in a terminal value for the mining activities of m$ 185,5.
- The DCF method discounts the budgeted free cash flows using the Weighted Average Cost of Capital (WACC). The applied WACC is in the range of 10,18% and 11,68%, depending on considering the peer group or metal and mining industry calculation (see previous slides).

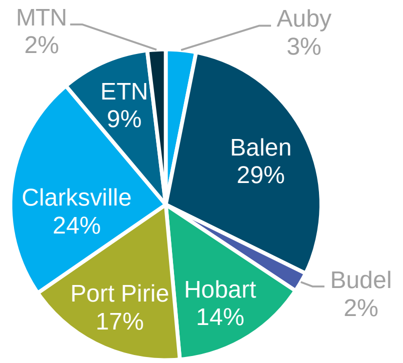
**Based on the assumptions previously explained, the enterprise value of NN2 is in the range of m$ 1.575 and m$ 1.906 at 31.05.2022 .**

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

## Enterprise value per entity

| in m$ | Peers | Peers mid-year | Damodaran | Damodaran mid-year |
|---|---|---|---|---|
| Enterprise value Auby | 55 | 58 | 48 | 50 |
| Enterprise value Balen | 707 | 741 | 648 | 685 |
| Enterprise value Budel | 38 | 40 | 36 | 38 |
| Enterprise value Hobart | 337 | 352 | 310 | 326 |
| Enterprise value Port Pirie | 377 | 394 | 348 | 367 |
| Enterprise value Clarksville | 104 | 109 | 97 | 102 |
| Enterprise value ETN | 101 | 106 | 95 | 98 |
| Enterprise value MTN | 15 | 16 | 14 | 14 |
| **Total enterprise value** | **1 735** | **1 816** | **1 594** | **1 681** |

Average total enterprise value per entity




- Based on the budget 2022 – 2027 on entity level, we have calculated the enterprise value per entity.
- Since the change in net working capital required is not available on entity level, the total change in net working capital required has been split over the entities based on the gross profit of the entity in comparison with the total gross profit of the respective budget year.
- The WACC for each entity takes into account the applicable country risk premium and corporate tax rate. No different WACCs are calculated based on the difference in activity since the activities of the peers are also a combination of smelting and mining.
- Based on the information received, we are not able to estimate to what extent a combination of individual sales of separate entities would increase the total value of NN2.
- We understand neither Trafigura nor NN2 are considering selling the individual entities separately to maximise shareholder value and Nyrstar has no power to enforce such approach (in the case it would be beneficial).
- As such, this approach has not been investigated further.

## Net debt

| (in m$) | 2021 |
|---|---|
| **Net debt** | **-1 599** |
| Current income tax assets | 0,4 |
| Deferred income tax assets | 36 |
| Current income tax liabilities | -34 |
| Deferred income tax liabilities | -63 |
| Restricted cash: environmental assets | 9 |
| Restricted cash: self-insurance | 8 |
| Cash and cash equivalents | 40 |
| Structured commodity trade finance facility SCTF | -646 |
| New money revolving facility | -180 |
| Senior multi-tranche facility | -102 |
| Subordinated shareholder loan | -248 |
| Shareholders revolving credit facility | -100 |
| Shareholder facility | -54 |
| Other loans | -5 |
| Lease liabilities | -135 |
| Provision: non-current | -115 |
| Provision: current | -12 |

To arrive at the equity value, the calculated enterprise value must be reduced by the net debt position of NN2. The net debt position is calculated as the sum of debt minus cash. Based on the balance sheet as per 30 September 2021, NN2 has a net debt position of **m$ -1.599.**

Some remarks:

- Current and deferred income tax assets and liabilities are included in the net debt position whereas other social assets and liabilities are part of the net working capital.
- Long term restricted cash positions regarding environmental assets and self-insurance are considered as part of the net debt position. Short term restricted cash positions regarding shipments and other deposits are treated as net working capital.
- Because of IFRS 16, all lease liabilities are recognised on the balance sheet. Since this improves the transparency of leasing policies and the comparability of listed companies (no distinction between financial and operating leases), we decided not to make any adjustments to reflect the operational lease above EBITDA and reduce the lease liabilities on the balance sheet. Therefore, all lease liabilities are considered in the net debt position. However, it should be noted that comparability under IFRS 16 will never be optimal because IFRS 16 provides scope for interpretation and subjectivity as differences in the terms of operating leases will create a difference in lease liabilities.
- Deferred tax assets resulting from historic tax losses are not accounted for in the net debt calculation since management stated it does not believe that taxable profit will be available in the relevant tax regions to offset these losses.

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

## Equity value

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| **Free cash flow** | **-44** | **59** | **119** | **156** | **212** | **205** |

| | Peers | Peers mid-year | Industry | Industry mid-year |
|---|---|---|---|---|
| WACC | 10,18% | | 11,68% | |
| Terminal value | **2 297** | | **1 971** | |
| **Enterprise value (in m$)** | **1 876** | **1 906** | **1 575** | **1 604** |
| Net debt (in m$) | -1 599 | -1 599 | -1 599 | -1 599 |
| Bridge 30.09.2021 - 31.05.2022 | -123 | -123 | -123 | -123 |
| **100% equity value (in m$)** | **154** | **184** | **0** | **0** |
| FX rate | 1,07 | 1,07 | 1,07 | 1,07 |
| **100% equity value (in m€)** | **144** | **172** | **0** | **0** |
| **2% equity value (in m€)** | **2,9** | **3,4** | **0,0** | **0,0** |

- The bridge result between 30.09.2021 and 31.05.2022 is an estimation of the cash movement in this period. It is calculated starting from the interim EBITDA result of m$ 107 (see slide 32) adjusted for the financial result over the period and taxes. Furthermore, the CAPEX of the period (m$ -178) is deducted resulting in a bridge result of m$ -123.
- After deducting the net debt per 30.09.2021 of m$ -1.599 and the bridge to 31.05.2022 of m$ -123, the **equity value** of 100% of the shares of NN2 as per **31.05.2022** is in the range between **m$ 0** and **m$ 184**.
- To convert the equity value from US dollar to euro, the FX rate of 31 May 2022 is used which equals 1,0713(*). This results in an equity value of 100% of the shares of NN2 in the range between **m€ 0** and **m€ 172.**

**Based on the assumptions previously explained, the 2% stake of NNV in NN2 as per 31.05.2022 is valued in the range between m€ 0,0 and m€ 3,4.**

* Source: ECB Europe

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

## Sensitivity analysis: treatment charges

As we only received hard coded figures of the 2022 – 2027 business plan of NNH, we cannot make the bridge between the macros and inputs linked to the forecast and the forecast itself. Therefore, we were not able to perform a sensitivity analysis. We did however provide an opinion on these macros and inputs. For more information, please consult appendix 10.5.

The table below and the next slides provide our opinion on the macros and inputs used in the 2022 - 2027 business plan. The treatment charges, commodity prices and foreign exchange rates are discussed in more detail.

Treatment charges

| Model Prices | Commodity | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| CY1 (3m) | Zn TC BM | 159 | 180 | 185 | 220 | 240 | 220 |
| CY2 (9m) | Zn TC BM | 180 | 185 | 220 | 240 | 220 | 220 |
| FY (12m) | Zn TC BM | 171 | 183 | 205 | 232 | 228 | 220 |
| | Zn TC Spot | 100 | 120 | 140 | 160 | 140 | 140 |
| Wood Mackenzie | Realised TC's | 238 | 285 | 316 | n/a | n/a | n/a |
| | | | | | | | |
| CY1 (3m) | Pb TC BM | 140 | 120 | 140 | 160 | 160 | 140 |
| CY2 (9m) | Pb TC BM | 120 | 140 | 160 | 160 | 140 | 140 |
| FY (12m) | Pb TC BM | 128 | 132 | 152 | 160 | 148 | 140 |
| | Pb TC Spot | 100 | 120 | 120 | 120 | 100 | 100 |
| CRU International | Actual data | 151 | n/a | n/a | n/a | n/a | n/a |
| | | | | | | | |
| CY1 (3m) | Ag RC | 1 | 1 | 2 | 2 | 2 | 2 |
| CY2 (9m) | Ag RC | 1 | 2 | 2 | 2 | 2 | 2 |
| FY (12m) | Ag RC $/toz | 1 | 1 | 2 | 2 | 2 | 2 |
| | Ag RC $/kg | 39 | 44 | 48 | 48 | 48 | 48 |
| | | | | | | | |
| CY1 (3m) | Au RC | 12 | 12 | 12 | 12 | 12 | 12 |
| CY2 (9m) | Au RC | 12 | 12 | 12 | 12 | 12 | 12 |
| FY (12m) | Au RC $/toz | 12 | 12 | 12 | 12 | 12 | 12 |
| | Au RC $/kg | 386 | 386 | 386 | 386 | 386 | 386 |

Sources: Wood Mackenzie and CRU International

## Sensitivity analysis: treatment charges

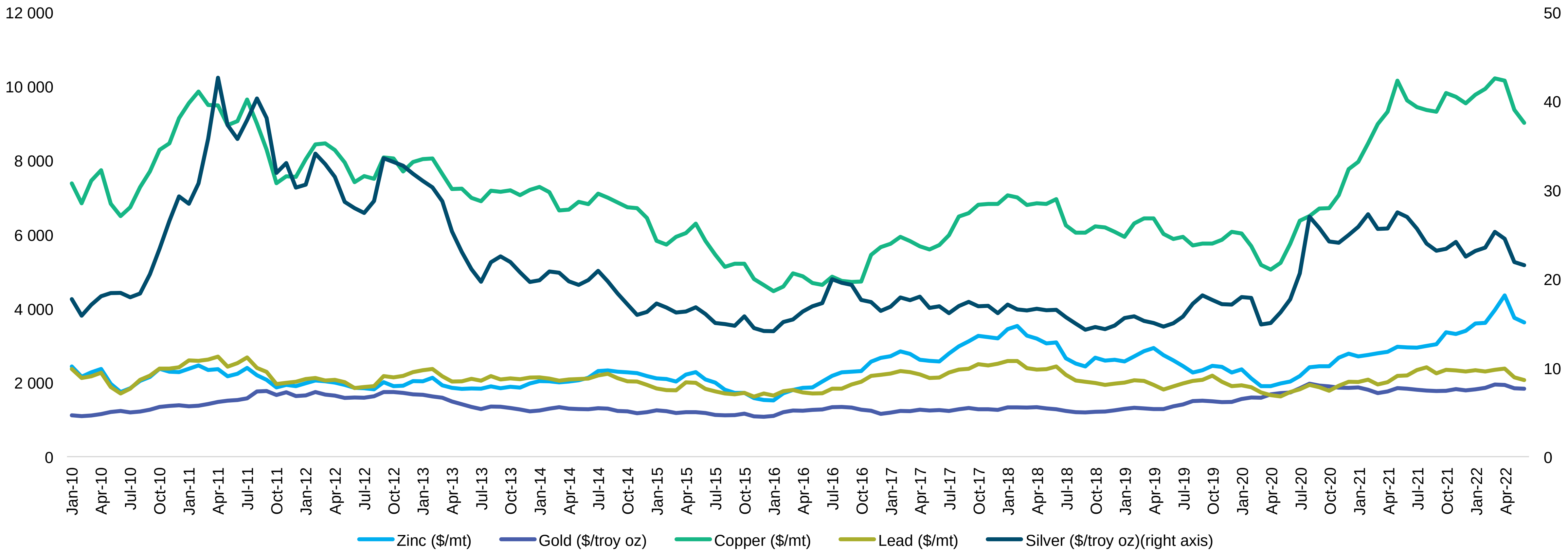
- The industry expert report concludes that that the original model possibly understates the zinc treatment charges but given the extreme fluctuations in the commodity prices in the current environment, that it is impossible to quantify the impact. Further that:
  - Lead treatment charges are in line with expectations, while the actual data for 2022 appears to be slightly high, it is believed this is slightly higher than will be expected in the near future. As such, no adjustment is needed for lead treatment charges.
  - We have been unable to gather sufficient data to form an opinion on the treatment charges of gold and silver.
  - There are only limited data sources for the forecast zinc treatment charges. The two data sets used for the comparison against the 2022-2027 business plan of NNH were from Wood Mackenzie being for two years and CRU for four years. The latest available forecasts from Wood Mackenzie and CRU were issued at the time of peak commodity prices in April and May 2022. Since this time, the zinc price has decreased significantly.
- The 2021 annual report states that a price change of zinc treatment charges of + / - $ 10/dmt results in a net result change of m$ 16,0 / -16,0 when starting from the average zinc treatment charges of $ 202 in 2021.
- While the zinc treatment charges have substantially increased during the first months of 2022 as stated above, we do not see the positive effect thereof in the interim results (see slide 32). We are also aware that input energy costs, that historically were approximately one third of total operating costs, have increased considerably.
- Given the conflicting effects of operational issues, substantially higher energy prices, better zinc treatment charges and fluctuating commodity prices on the results, a sensitivity analysis is performed on slide 49 - 50 considering different EBITDA level scenarios for 2022 and/or 2023 as a “catch all” for movements in plus and minus, whether TC, commodity prices, FX, energy, etc.

Sources: Wood Mackenzie and CRU International

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

## Sensitivity analysis: commodity prices

This chart shows the price evolution of zinc, gold, copper, lead and silver starting from January 2010 until May 2022. The next two slides describe the price evolution of these commodities in the business model from 2022 until 2027 as well as the market consensus during this period.




Sources: World Bank Commodity Price Data

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## Sensitivity analysis: commodity prices

Commodity prices

| Zinc (Zn) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Zn $/t | Model Range | 3 050 – 3 163 | 2 650 – 3 200 | 2 550 – 2 674 | 2 550 – 2 698 | 2 550 – 2 749 | 2 550 – 2 802 |
| Zn $/t | Market Range | 3 200 – 4 527 | 2 284 – 4 343 | 2 102 – 3 748 | 2 062 – 3 780 | 2 049 – 3 780 | 2 375 – 3 780 |
| Zn $/t | Conclusion | revise | | | reasonable | | |

Between 2018 and 2021, the range of the zinc price lies between $ 1.800/t and $ 3.600/t. In April 2022, an all-time-high zinc price is reached of approximately $ 4.500/t after which the price dropped below $ 3.000/t and appears to be reverting to the historical range. This being said, the zinc model prices appear to fluctuate outside the low to high ranges noted in the market data for 2022, in both directions. In subsequent years, the model appears to align with consensus market expectations, particularly when considering the average forecasted price.

Note that based on the 2021 annual report a price change of zinc of + / - $ 100/t results in a net result change of m$ 21,1 / -21,1 when starting from the average zinc price of $ 2.821 in the financial year 2021.

| Silver (Ag) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Ag $/toz | Model Range | 25 | 25 | 25 - 26 | 25 – 26 | 25 - 27 | 25 – 27 |
| Ag $/toz | Market Range | 20 – 28 | 16 - 33 | 15 – 31 | 15 - 30 | 14 – 26 | 19 – 28 |
| Ag $/toz | Conclusion | | | reasonable | | | |

The silver prices in the model appear to be within the low to high price ranges noted from various market sources. However, we note that the model prices are slightly above the average market prices for the period 2022 - 2027. Note that based on the 2021 annual report a price change of silver of + / - $ 1/toz results in a net result change of m$ 3,7 / -3,7 when starting from the average silver price of $ 25,4 in the financial year 2021.

| Gold (Au) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Au $/toz | Model Range | 1 800 | 1 800 – 1 834 | 1 800 – 1 869 | 1 800 – 1 905 | 1 800 – 1 941 | 1 800 – 1 978 |
| Au $/toz | Market Range | 1 691 – 2 200 | 1 550 – 2 250 | 1 303 – 2 017 | 1 400 – 2 067 | 1 400 – 2 116 | 1 344 – 2 270 |
| Au $/toz | Conclusion | | | reasonable | | | |

The model gold prices appear to be aligned with the market data. The primary pricing of $ 1,800 per ounce appears to be reasonable across the period, although the market average data suggests that the gold price will be trending downward over the next 5 years. Note that based on the 2021 annual report a price change of gold of + / - $ 100/toz results in a net result change of m$ 1,7 / -1,7 when starting from the average gold price of $ 1.819 in the financial year 2021.

Sources: S&P Global – Capital IQ, Energy & Metals Consensus Forecasts, Statistica, Daily Metal Prices, Shanghai Metals Market (SSM)

## Sensitivity analysis: commodity prices

Commodity prices

| Lead (Pb) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Pb $/t | Model Range | 2 200 – 2 275 | 2 114 – 2 300 | 2 000 – 2 077 | 2 000 – 2 116 | 2 000 – 2 156 | 2 000 – 2 197 |
| Pb $/t | Market Range | 1 931 – 2 579 | 1 407 – 2 535 | 1 380 – 2 469 | 1 403 – 2 579 | 1 428 – 2 456 | 1 782 – 2 517 |
| Pb $/t | Conclusion | reasonable | | | | | |

The model lead prices appear to be within the market price ranges and similar to the average market prices. Note that based on the 2021 annual report a price change of lead of + / - $ 100/t results in a net result change of m$ 3,5 / -3,5 when starting from the average lead price of $ 2.098 in the financial year 2021.

| Copper (Cu) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Cu $/t | Model Range | 9 275 – 9 500 | 9 000 – 9 222 | 8 566 – 9 000 | 7 830 – 8 000 | 7 200 – 8 000 | 7 200 – 8 130 |
| Cu $/t | Market Range | 8 380 – 11 750 | 5 511 – 11 155 | 5 164 – 13 228 | 5 137 – 14 330 | 5 145 – 13 228 | 6 810 – 12 125 |
| Cu $/t | Conclusion | reasonable | | | | | |

Copper model prices appears to fall within the low to high range noted from the market data. We note that the model copper prices throughout the period are generally in line with the average market data prices.

| Germanium (Ge) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Ge $/kg | Model Range | 1 200 | 1,200 - 1,300 | 1,300 - 1,506 | 1,500 - 1,746 | 1,500 - 1,779 | 1,500 - 1,813 |
| Ge $/kg | Market Range | 1,200 - 1,360 | n/a | n/a | n/a | n/a | n/a |
| Ge $/kg | Conclusion | Limited data available to provide opinion | | | | | |

We were unable to obtain sufficient data on the forward prices to provide an opinion on the prices used in the model. However, we have included the current 2022 market price range which appears to be in line with the model pricing for the same period. We also note that the historical germanium market prices have ranged between $ 1.200 and $ 1.918/kg, for the period 2014 to 2022. The highest prices being in 2014 and 2015, then trending downwards to 2022. The model input prices appear to be trending upwards for the next 5 years, which would be contrast to the historical price trend.

| Indium (In) | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| In $/kg | Model Range | 185 | 185 - 189 | 185 - 192 | 185 - 196 | 185 - 199 | 185 - 203 |
| In $/kg | Market Range | 210 - 238 | n/a | n/a | n/a | n/a | n/a |
| In $/kg | Conclusion | Limited data available to provide opinion | | | | | |

We were unable to obtain sufficient data on forward indium prices to provide an opinion on the prices used in the model. However, we have included the current 2022 market price range which appears to be higher than the model prices for the same period. Based on historical market data, the indium price appears to range between $ 158 and $ 281/kg and has been trending upwards for the last 3 years.

Sources: S&P Global – Capital IQ, Energy & Metals Consensus Forecasts, Statistica, Daily Metal Prices, Shanghai Metals Market (SSM)

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## Sensitivity analysis: foreign exchange rates

Foreign exchange rates

| Foreign Exchange Rates Model rates | Currency Pair | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| FX Rates CY1 (3m) | EUR/USD | 1,16 | 1,16 | 1,18 | 1,20 | 1,20 | 1,20 |
| FX Rates CY2 (9m) | EUR/USD | 1,16 | 1,18 | 1,20 | 1,20 | 1,20 | 1,20 |
| FX Rates FY (12m) | EUR/USD | 1,16 | 1,18 | 1,20 | 1,20 | 1,20 | 1,20 |
| | | | | | | | |
| FX Rates CY1 (3m) | AUD/USD | 0,76 | 0,76 | 0,75 | 0,78 | 0,78 | 0,78 |
| FX Rates FY (12m) | AUD/USD | 0,76 | 0,75 | 0,77 | 0,78 | 0,78 | 0,78 |

| Foreign Exchange Rates Market data | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| Low | EUR/USD | 1,10 | 1,14 | 1,26 | n/a | n/a | n/a |
| Mid | EUR/USD | 1,11 | 1,16 | 1,26 | n/a | n/a | n/a |
| High | EUR/USD | 1,11 | 1,18 | 1,26 | n/a | n/a | n/a |
| | | | | | | | |
| Low | AUD/USD | 0,74 | 0,78 | 0,76 | n/a | n/a | n/a |
| Mid | AUD/USD | 0,75 | 0,79 | 0,76 | n/a | n/a | n/a |
| High | AUD/USD | 0,76 | 0,79 | 0,76 | n/a | n/a | n/a |
| Average | AUD/USD | 0,75 | 0,79 | 0,76 | n/a | n/a | n/a |

The EUR/USD and AUD/USD rates used in the model appear to be similar to market data and are reasonable. We were unable to obtain reasonable market estimates past FY24.

Sources: S&P Global – Capital IQ, Energy & Metals Consensus Forecasts, Statistica, Daily Metal Prices, Shanghai Metals Market (SSM)

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Sensitivity analysis: reforecasted 2022 EBITDA

We calculated the sensitivity to swings in free cash flows – whatever the cause (see previous slides). As a first scenario, we modified the forecast by adapting the 2022 EBITDA to m$ 250 vs. m $ 290 in the business plan (including corporate costs). This has been based on the input of Mr. Karl Söderberg after having reviewed the latest interim results. In this scenario, we maintained the budget for 2023-2027.

This results in an enterprise value in the range between m$ 1.566 and m$ 1.897 vs. m$ 1.575 and m$ 1.906 (business plan scenario). The 2% stake of NNV in NN2 at 31.05.2022 is valued in the range between m€ 0,0 and m€ 3,3 vs. m€ 0,0 and m€ 3,4 (business plan scenario) showing a negative delta of m€ 0,1.

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| Operational result (EBIT) | 61 | 142 | 174 | 189 | 227 | 256 |
| - Income Taxes | -19 | -37 | -37 | -42 | -48 | -50 |
| + Depreciation, amortisation & provision | 189 | 203 | 220 | 236 | 223 | 190 |
| - Capital expenditures | -270 | -254 | -242 | -232 | -194 | -189 |
| +/- Change in net working capital requirement | -32 | 4 | 4 | 5 | 4 | -1 |
| **Free cash flow** | **-72** | **59** | **119** | **156** | **212** | **205** |

| | Peers | Peers mid-year | Industry | Industry mid-year |
|---|---|---|---|---|
| WACC | 10,18% | | 11,68% | |
| Terminal value | **2 297** | | **1 971** | |
| **Enterprise value (in m$)** | **1 867** | **1 897** | **1 566** | **1 595** |
| Net debt (in m$) | -1 599 | -1 599 | -1 599 | -1 599 |
| Bridge 30.09.2021 - 31.05.2022 | -123 | -123 | -123 | -123 |
| **100% equity value (in m$)** | **145** | **175** | **0** | **0** |
| FX rate | 1,07 | 1,07 | 1,07 | 1,07 |
| **100% equity value (in m€)** | **135** | **164** | **0** | **0** |
| **2% equity value (in m€)** | **2,7** | **3,3** | **0,0** | **0,0** |

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

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## Sensitivity analysis: reforecasted 2022 - 2023 EBITDA

A second scenario considers an EBITDA of m$ 250 in 2022 (see previous slide) and a recovery of the 2022 EBITDA shortfall in 2023. In this scenario, the 2023 free cash flow would be m$ 30 higher than in the first scenario (and the business plan scenario). The free cash flows generated in 2024 – 2027 are maintained as in the business plan scenario.

This results in an enterprise value in the range between m$ 1.592 and m$ 1.924 vs. m$ 1.575 and m$ 1.906 (business plan scenario). The 2% stake of NNV in NN2 at 31.05.2022 is valued in the range between m€ 0,0 and m€ 3,8 vs. m€ 0,0 and m€ 3,4 (business plan scenario) showing a positive delta of m€ 0,4.

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| Operational result (EBIT) | 61 | 182 | 174 | 189 | 227 | 256 |
| - Income Taxes | -19 | -47 | -37 | -42 | -48 | -50 |
| + Depreciation, amortisation & provision | 189 | 203 | 220 | 236 | 223 | 190 |
| - Capital expenditures | -270 | -254 | -242 | -232 | -194 | -189 |
| +/- Change in net working capital requirement | -32 | 4 | 4 | 5 | 4 | -1 |
| **Free cash flow** | **-72** | **89** | **119** | **156** | **212** | **205** |

| | Peers | Peers mid-year | Industry | Industry mid-year |
|---|---|---|---|---|
| WACC | 10,18% | | 11,68% | |
| Terminal value | **2 297** | | **1 971** | |
| **Enterprise value (in m$)** | **1 893** | **1 924** | **1 592** | **1 621** |
| Net debt (in m$) | -1 599 | -1 599 | -1 599 | -1 599 |
| Bridge 30.09.2021 - 31.05.2022 | -123 | -123 | -123 | -123 |
| **100% equity value (in m$)** | **171** | **202** | **0** | **0** |
| FX rate | 1,07 | 1,07 | 1,07 | 1,07 |
| **100% equity value (in m€)** | **160** | **189** | **0** | **0** |
| **2% equity value (in m€)** | **3,2** | **3,8** | **0,0** | **0,0** |

## Sensitivity analysis: NWC as a cash-like item

Although in our calculation we do not consider NWC as a cash-like item for DCF purposes, we have calculated the effect of following the same logic as in the valuation performed by the Company in 2019. In this valuation trade receivables, trade payables, inventories and prepayments are not included in the free cash flow calculation but are part of bridging the enterprise to the equity value.

This results in an enterprise value in the range between m$ 1.591 and m$ 1.925 vs. m$ 1.575 and m$ 1.906 (business plan scenario). The 2% stake of NNV in NN2 at 31.05.2022 is valued in the range between m€ 0,0 and m€ 4,2 vs. m€ 0,0 and m€ 3,4 (business plan scenario) showing a positive delta of m€ 0,8.

| (in m$) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| Operational result (EBIT) | 102 | 142 | 174 | 189 | 227 | 256 |
| - Income Taxes | -32 | -37 | -37 | -42 | -48 | -50 |
| + Depreciation, amortisation & provision | 189 | 203 | 220 | 236 | 223 | 190 |
| - Capital expenditures | -270 | -254 | -242 | -232 | -194 | -189 |
| +/- Change in net working capital requirement | -7 | 6 | 5 | 6 | 4 | -1 |
| **Free cash flow** | **-19** | **60** | **119** | **157** | **213** | **205** |

| | Peers | Peers mid-year | Industry | Industry mid-year |
|---|---|---|---|---|
| WACC | 10,18% | | 11,68% | |
| Terminal value | **2 309** | | **1 981** | |
| **Enterprise value (in m$)** | **1 894** | **1 925** | **1 591** | **1 621** |
| Net debt (in m$) | -1 578 | -1 578 | -1 578 | -1 578 |
| Bridge 30.09.2021 - 31.05.2022 | -123 | -123 | -123 | -123 |
| **100% equity value (in m$)** | **193** | **223** | **0** | **0** |
| FX rate | 1,07 | 1,07 | 1,07 | 1,07 |
| **100% equity value (in m€)** | **180** | **209** | **0** | **0** |
| **2% equity value (in m€)** | **3,6** | **4,2** | **0,0** | **0,0** |

# 5.2 DISCOUNTED CASH FLOW ANALYSIS

## Conclusion

- All calculations have been performed based on historical figures up to 30.09.2021 and a business plan for the period 2022 – 2027, without further adjustments, and a bridge regarding the net debt position per 31.05.2022 as compared to 30.09.2021 (date of the financial data).
- The WACC is in the range of 10,18% to 11,68%, depending on the approach: based on the beta & D/E ratio of the peer group as opposed to based on the beta & D/E ratio of the metals and mining industry (Damodaran).
- The free cash flows shown in the business plan 2022 – 2027, adjusted with the change in net working capital required, are used to calculate the enterprise value of NN2.
- The terminal value calculation makes a distinction between smelting and mining activities:
  - The terminal value of the smelters starts from the free cash flows generated in 2027 and assumes these are recurring. This results in a perpetual free cash flow for the smelters of m$ 170.
  - The terminal value of the mining activities is based on the business plan 2022–2027. This results in a terminal value for the mining activities of m$ 185,5.
- Based on the elements described above, the enterprise value ranges between m$ 1.575 and m$ 1.906.
- The net debt position of NN2 on 30 September 2021 equals m$ -1.599. The bridge to 31.05.2022 represents a further m$ -123.
- These calculations result in a total equity value of 100% of the shares of NN2 between m$ 0 and m$ 184.

**Taking into account the FX rate of 31 May 2022, the 2% stake of NNV in NN2 at 31.05.2022 is valued in the range of m€ 0,0 and m€ 3,4.**

- Note that this valuation does not consider a minority discount. The percentage of a minority discount depends on the rights the minority shareholder has in comparison with a majority position.

# 5 Valuation NN2

# 5.3 EBITDA MULTIPLE ANALYSIS

## General

- Using this method, the value of a company is calculated as a multiple of a selected parameter. One of the most frequently used parameters is the EBITDA multiple (enterprise value / normalised EBITDA). Other parameters are based on cash flow, turnover,... The multiple is derived from market data or from data captured from recent transactions of similar non-listed companies.

- Based on the normalised EBITDA (EBITDA excluding any non-recurring income and charges) and the industry multiple, the enterprise value of the Group can be calculated. From this value, the most recent net financial position (which equals financial debt minus cash) should be deducted in order to achieve the equity value of the Group.

- Although regularly applied, the multiple method has two main disadvantages:

  - The multiple may not be available: the company to value may not be fully comparable to the listed peers because of differences in size, operations, cost structure, geographical scope, etc.; or no information about recent transactions of similar non listed companies might be available.

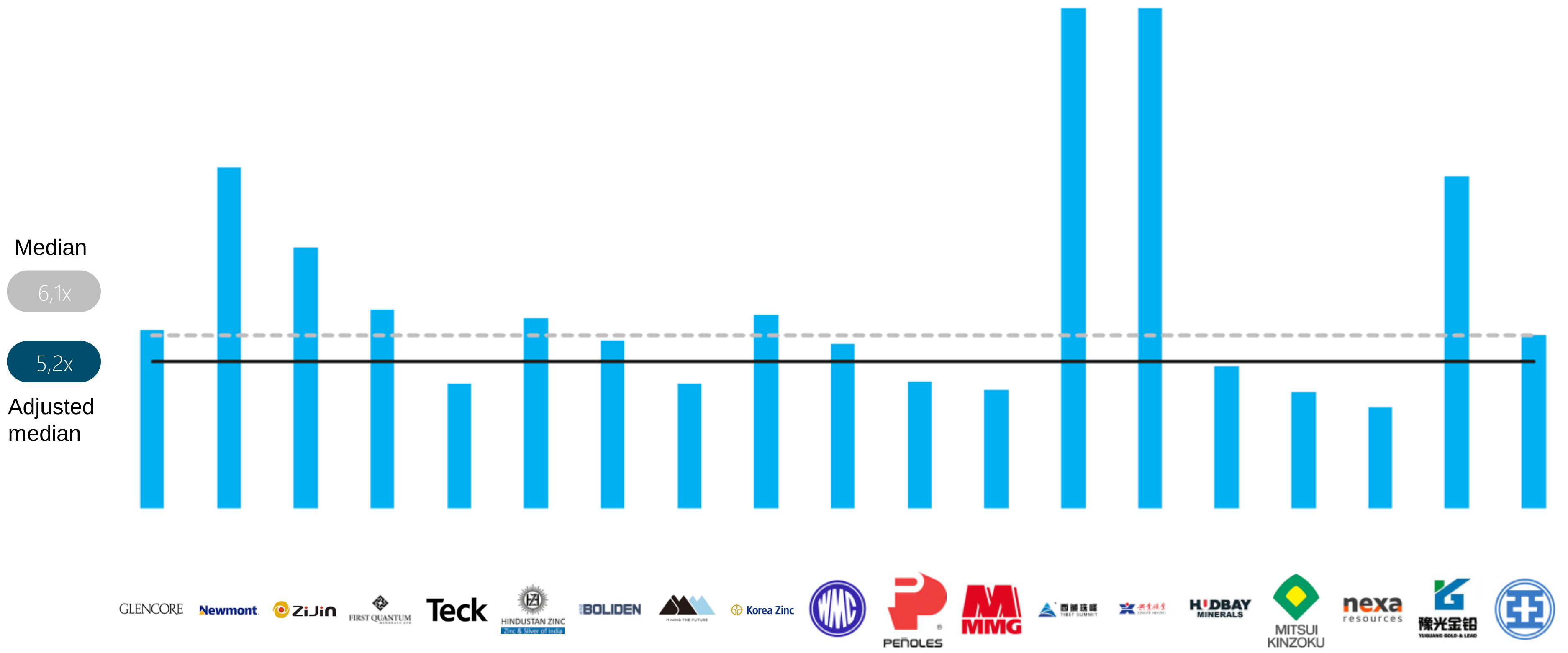
  - The method uses historical or prospective data. Therefore, the method should not be applied to a company which has prospects that are different from the other companies that make up the benchmark group from which the multiples are derived.

# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Last Twelve Months ("LTM") Trading EBITDA Multiples

- The adjacent chart shows the LTM trading EBITDA multiples for listed metals and mining companies with a strong presence in the zinc market.
- As with all multiple valuations, the comparability of the reported peers is crucial.
- The median LTM trading EBITDA multiple amounts to 6,1x (*).
- An illiquidity discount of 15% (**) is considered. This results in an adjusted median trading EBITDA multiple of 5,2x.
- These multiples should always be considered with care given the discrepancy in scale and business models between companies. See also slide 57 - 58 for a high-level comparison on selected key metrics.




| | Glencore | Newmont | Zijin Mining Group | First Quantum Minerals | Teck Resources | Hindustan Zinc | Boliden | Sumitomo Metal Mining | Korea Zinc | Western Mining) | Industrias Peñoles | MMG | Tibet Summit Resources | Inner Mongolia Xingye Mining | Hudbay Minerals | Mitsui Mining & Smelting | Nexa Resources | Henan Yuguang Gold & Lead | Toho Zinc |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Market Cap ($m)** | 83 143 | 53 849 | 38 827 | 19 265 | 21 692 | 16 300 | 10 987 | 11 009 | 8 121 | 4 279 | 4 495 | 3 676 | 3 131 | 1 723 | 1 452 | 1 439 | 1 200 | 817 | 235 |
| **EV ($m)** | 108 739 | 55 542 | 52 563 | 26 312 | 27 627 | 13 998 | 10 726 | 12 341 | 7 503 | 7 587 | 7 200 | 10 800 | 3 128 | 1 989 | 2 452 | 2 977 | 2 602 | 1 618 | 668 |
| **LTM EBITDA Margin %** | 7,9% | 36,0% | 15,0% | 50,0% | 50,8% | 56,4% | 25,4% | 25,2% | 13,5% | 22,3% | 27,3% | 60,8% | 56,9% | 38,5% | 31,2% | 14,8% | 26,3% | 3,3% | 11,9% |

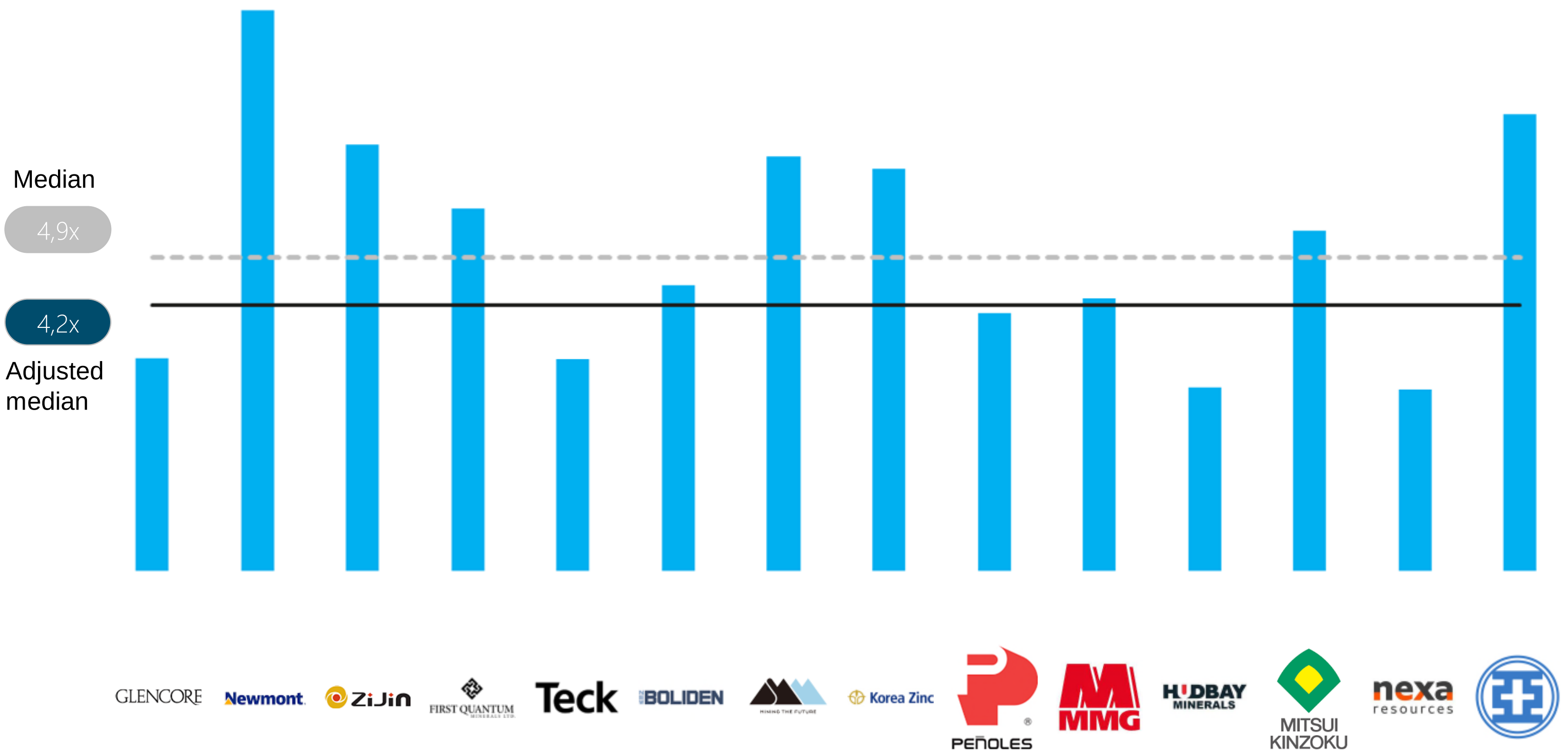
Sources: * Capital IQ, ** Stout Restricted Stock Study - 2021 Companion Guide

# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Next Twelve Months ("NTM") Trading EBITDA Multiples

- The adjacent chart shows the NTM trading EBITDA multiples for listed metals and mining companies with a strong presence in the zinc market.
- Note that Hindustan Zinc, Western Mining, Tibet Summit Resources, Inner Mongolia Xingye Mining and Henan Yuguang Gold & Lead are no part of the NTM trading EBITDA peers as for these companies expected EBITDAs were not available.
- As with all multiple valuations, the comparability of the reported peers is crucial.
- The median NTM trading EBITDA multiple amounts to 4,9x (*).
- An illiquidity discount of 15% (**) is considered. This results in an adjusted median trading EBITDA multiple of 4,2x.
- These multiples should always be considered with care given the discrepancy in scale and business models between companies. See also slide 57 - 58 for a high-level comparison on selected key metrics.



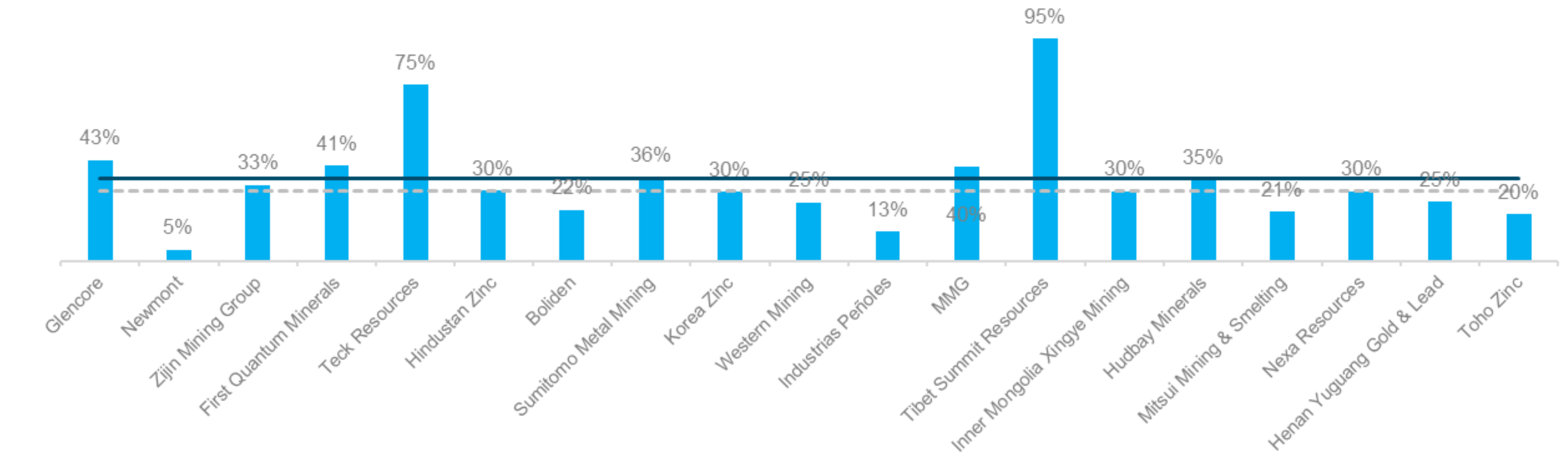

| | Glencore | Newmont | Zijin Mining Group | First Quantum Minerals | Teck Resources | Boliden | Sumitomo Metal Mining | Korea Zinc | Industrias Peñoles | MMG | Hudbay Minerals | Mitsui Mining & Smelting | Nexa Resources | Toho Zinc |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Market Cap ($m)** | 83 143 | 53 849 | 38 827 | 19 265 | 21 692 | 10 987 | 11 009 | 8 121 | 4 495 | 3 676 | 1 452 | 1 439 | 1 200 | 235 |
| **EV ($m)** | 108 739 | 55 542 | 52 563 | 26 312 | 27 627 | 10 726 | 12 341 | 7 503 | 7 120 | 10 800 | 2 452 | 2 977 | 2 602 | 668 |
| **LTM EBITDA Margin %** | 7,9% | 36,0% | 15,0% | 50,0% | 50,8% | 25,4% | 25,2% | 13,5% | 27,3% | 60,8% | 31,2% | 14,8% | 26,3% | 11,9% |

Sources: * Capital IQ, ** Stout Restricted Stock Study - 2021 Companion Guide

# 5.3 EBITDA MULTIPLE ANALYSIS

## Trading multiples

1 Yr growth: total revenues




NN2

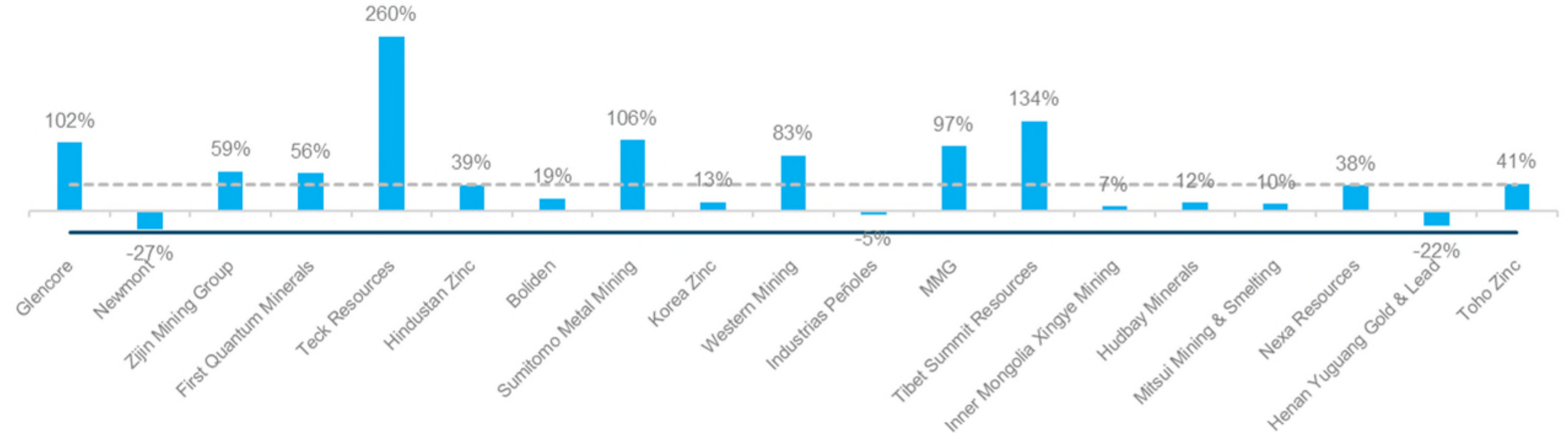
35,4%

29,9%

Median

On a median basis, the turnover of the peer group has grown by 29,9% during the last twelve months. The normalised total turnover of NN2 has grown from m$ 3.077 to m$ 4.166, or a 35,4% increase.

1 Yr growth: EBITDA




Median

38,9%

-31,5%

NN2

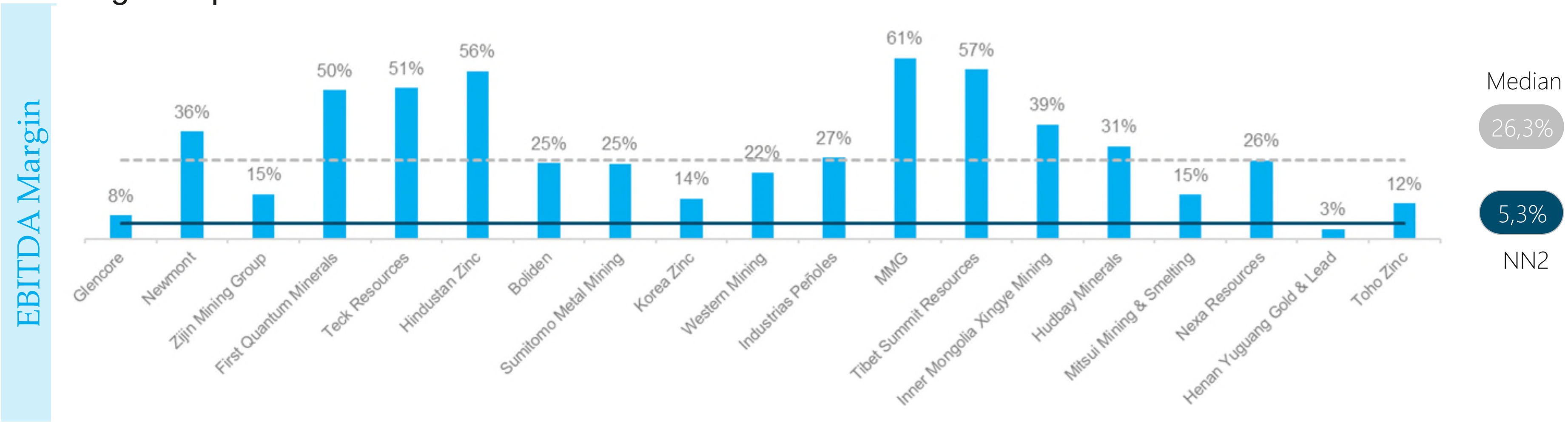
On a median basis, the EBITDA of the peer group has grown by 38,9% during the last twelve months. The normalised EBITDA of NN2 declined from m$ 323 in 2020 to m$ 221 in 2021 which equals a decrease of -31,5%.

Sources: Capital IQ

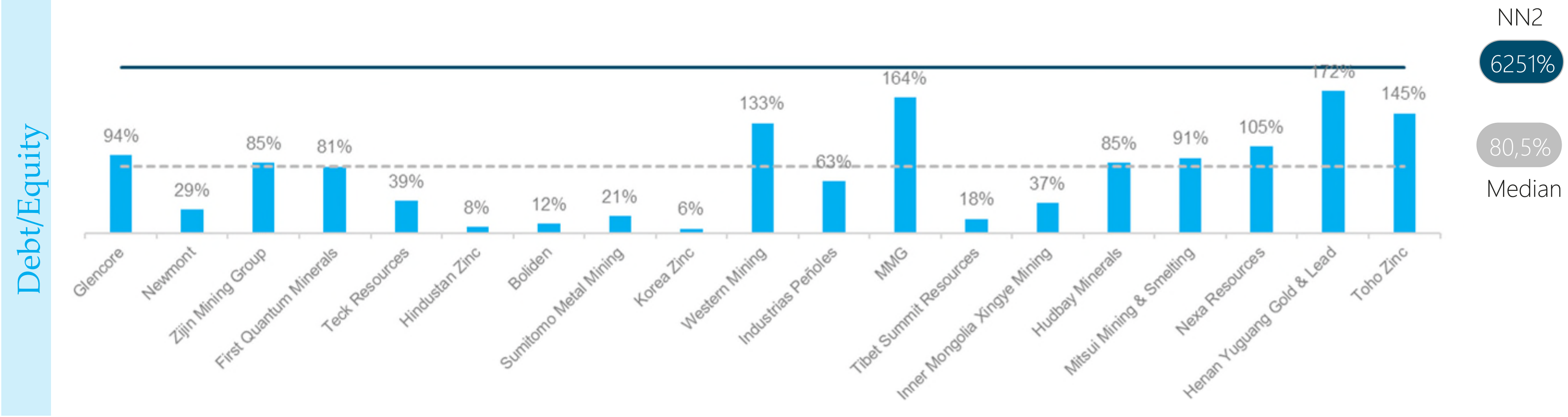
# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Trading multiples




The EBITDA margin of NN2 only equals 5,3% vs. a median EBITDA margin of the peer group of 26,3%




NN2 has an interest-bearing debt position of m$ 1.469 vs. an equity position of m$ 23 per 30.09.2021. This results in a debt/equity ratio of 6251%. The median debt/equity ratio of the peer group equals 80,5%.

Sources: Capital IQ

# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Trading multiples

| | 2021 | 2022 |
|---|---|---|
| Normalised EBITDA (in m$) | 221 | 290 |
| Trading multiple | 6,1x | 4,9x |
| Illiquidity discount | 15% | 15% |
| Adjusted multiple | 5,2x | 4,2x |
| Enterprise value (in m$) | 1 147 | 1 210 |
| Net debt (in m$) | -1 599 | -1 599 |
| Underfunding of the NWC position | -46 | -46 |
| Bridge 30.09.2021 - 31.05.2022 | -123 | -123 |
| 100% equity value (in m$) | 0 | 0 |
| FX rate | 1,07 | 1,07 |
| 100% equity value (in m€) | 0 | 0 |
| **2% equity value (in m€)** | **0,0** | **0,0** |

- The normalised EBITDA of 2021 is multiplied with the adjusted median LTM trading EBITDA multiple of 5,2x.
- The forecasted EBITDA of 2022 of the business plan 2022 – 2027 is multiplied with the adjusted median NTM trading EBITDA multiple of 4,2x.
- Given the higher profitability and the lower D/E ratio of the peers, these multiples should be considered with care.
- This results in an **enterprise value** in the range of **m$ 1.147** and **m$ 1.210**. Note that when applying the adjusted median NTM trading EBITDA multiple of 4,2x on the re-estimated 2022 EBITDA of m$ 250 (see slide 49), the enterprise value would equal m$ 1.041 only.
- To come to the total equity value, the following elements are to be considered:
  - The net debt position as per 30.09.2021 of m$ -1.599 (see slide 41);
  - NWC correction: NWC as a percentage of turnover decreases from -3% in 2020 to -5% in 2021. The average of NWC over 2020 – 2021 equals -4% as a percentage of turnover. Applying this average percentage on the turnover of 2021 results in a normalised NWC position of m$ -179 in 2021. Since 2021 NWC equals m$ -225, an underfunding of m$ -46 is implied.
  - The bridge assumed to be the interim cash flow up to 31.05.2022 of m$ -123 (see slide 42).
- This results in a **equity value** of **m$ 0.**

**Taking into account the FX rate of 31 May 2022, the 2% stake of NNV in NN2 at 31.05.2022 is valued at m€ 0,0.**

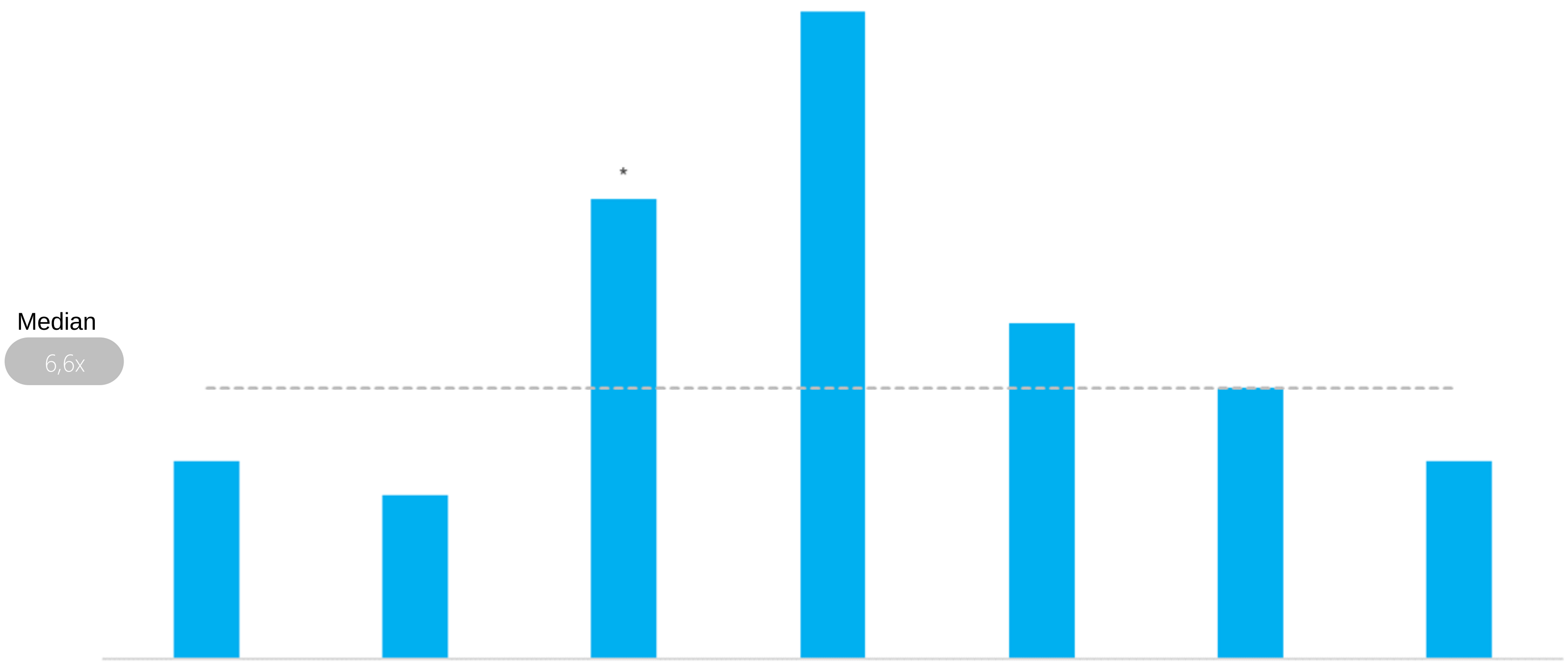
- Note that this valuation does not consider a minority discount. The percentage of a minority discount depends on the rights the minority shareholder has in comparison with a majority position.

# 5.3 EBITDA MULTIPLE ANALYSIS

## Transaction multiples

- In recent years, a significant number of transactions were closed of metals and mining companies with a presence in the zinc market.
- Only transactions of unlisted targets as from 2018 with disclosed deal financials and an implied enterprise value greater than m$ 100 are considered.
- During recent years, a median EBITDA multiple of 6,6x is observed for the selected transactions.
- These multiples should always be considered with care given the discrepancy in scale and business models between transactions and targets.

* The EBITDA multiple of the transaction between Goldcorp and Newmont Corporation is recalculated based on the average EBITDA of 2016-2017, which is estimated to be the relevant EBITDA on which the transaction has been realised.




| Target | Vedanta Resources | Tahoe Resources | Goldcorp | Sihuan Zinc & Germanium Technology | Highland Gold Mining | KAZ Minerals | Minas de Aguas Teñidas |
|---|---|---|---|---|---|---|---|
| Acquirer | n.a. | Pan American Silver | Newmont Corporation | Chengtun Mining Group | Fortiana Holdings | n.a. | Sandfire Resources |
| EV (m$) | 19 707 | 1 114 | 12 913 | 450 | 1 677 | 8 228 | 1 865 |

Sources: Capital IQ and MergerMarket

# 5.3 EBITDA MULTIPLE ANALYSIS

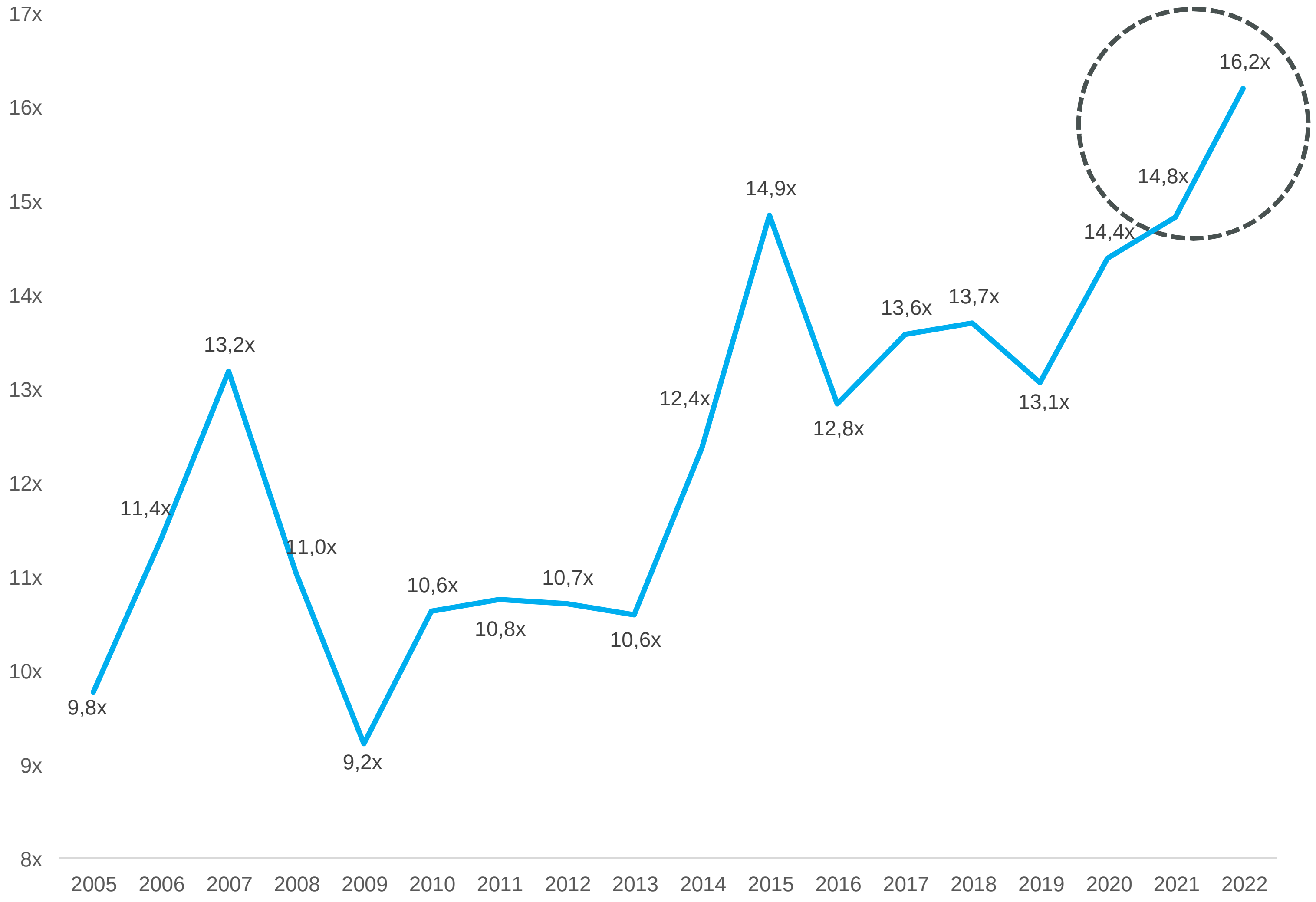
## Transaction multiples

- The graph on the right represents the median EBITDA multiple of companies with an implied enterprise value exceeding 1 billion dollar. It measures a broader variety of sectors than solely the metals and mining industry. Therefore, these multiples cannot be directly linked to NN2, however they do provide an insight in a general trend.

- In 2022 the median EBITDA multiple equals a historically high 16,2x. This can be explained by:
  - The economic growth rebounded faster and stronger than expected in Europe after the Covid-19 outbreaks thanks to the successful vaccination campaigns.
  - Extensive economic support from governments and the ECB.

  → This leads to a surplus of liquid assets for investments and thus high EBITDA multiples.

- Although the index is still on a historically high level, several risks are present: concerns about the consequences of the successive Covid-19 waves, the breakdown of value chains, the sharp rise in energy and raw materials prices, the increasing interest rates, etc.




Sources: Capital IQ

# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Transaction multiples

| | |
|---|---|
| Normalised 2021 EBITDA (in m$) | 221 |
| Transaction muliple | 6,6x |
| Enterprise value (in m$) | 1 458 |
| Net debt (in m$) | -1 599 |
| Underfunding of the NWC position | -46 |
| Bridge 30.09.2021 – 31.05.2022 | -123 |
| 100% equity value (in m$) | 0 |
| FX rate | 1,07 |
| 100% equity value (in m€) | 0 |
| **2% equity value (in m€)** | **0,0** |

- The normalised 2021 EBITDA is multiplied with the transaction EBITDA multiple of 6,6x. This results in an **enterprise value** of **m$ 1.458**.
- To come to the total equity value, the following elements are to be considered:
  - The net debt position as per 30.09.2021 of m$ -1.599 (see slide 41);
  - NWC correction: NWC as a percentage of turnover decreases from -3% in 2020 to -5% in 2021. The average of NWC over 2020 – 2021 equals -4% as a percentage of turnover. Applying this average percentage on the turnover of 2021 results in a normalised NWC position of m$ -179 in 2021. Since 2021 NWC equals m$ -225, an underfunding of m$ -46 is implied.
  - The bridge assumed to be the interim cash flow up to 31.05.2022 of m$ -123 (see slide 42).
- This results in an **equity value** of **m$ 0**.

**Taking into account the FX rate of 31 May 2022 the 2% stake of NNV in NN2 at 31.05.2022 equals m€ 0,0.**

- Note that this valuation does not consider a minority discount. The percentage of a minority discount depends on the rights the minority shareholder has in comparison with a majority position.

# 5.3 EBITDA MULTIPLE ANALYSIS

nyrstar

## Conclusion

- The EBITDA multiple analysis is based on 2 EBITDA references:
  - Historical: the normalised EBITDA of 2021 equal to m$ 221.
  - Forward looking**:** the forecasted EBITDA of 2022 which amounts to m$ 290 in the 2022 - 2027 business plan.
- The valuation is performed based on 2 trading and 1 transaction multiple:
  - Trading**:** both LTM and NTM EBITDA multiples of listed companies active in the metals and mining industry with a strong presence in the zinc market. The adjusted median LTM trading EBITDA multiple equals 5,2x and the adjusted median NTM trading EBITDA multiple 4,2x.
  - Transaction**:** target companies active in the metal and mining industry with a presence in the zinc market. Only transactions of unlisted targets as from 2018 with an implied enterprise value greater than $ 100 million are withheld. This results in 7 relevant transactions with a median EBITDA multiple of 6,6x.
- These different methodologies result in an enterprise value between m$ 1.147 and m$ 1.458.

| Enterprise value (in m$) | Historical | Forward looking |
|---|---|---|
| Trading multiple | 1.147 | 1.210 |
| Transaction multiple | 1.458 | |

- The enterprise values are reduced with the net debt position of m$ -1.599 and the bridge to 31.05.2022 of m$ -123 to arrive at the total equity value of m$ 0,0.

**Taking into account the above, the 2% stake of NNV in NN2 at 31.05.2022 is valued at m€ 0,0**

- This value is lower than the result of the DCF calculations because catching-up capital investments result in a higher net debt position as from the start and better EBITDAs and free cash flows in the future. The increased profitability and cash flow expectations are only partially reflected in the 2021 – 2022 EBITDAs whereas the effect on the net debt position is full.
- Note that this valuation does not consider a minority discount. The percentage of a minority discount depends on the rights the minority shareholder has in comparison with a majority position.

# 5 Valuation NN2

# 5.4 CORRECTED NET ASSETS

## General

- The adjusted net asset value corresponds to the net equity resulting from the total value of the individual assets less the provisions and liabilities. All these elements have to be assessed at their market value and not at their book value. This calculation results in an adjusted value of the company's equity. The adjusted net asset value is generally considered as a minimum threshold.

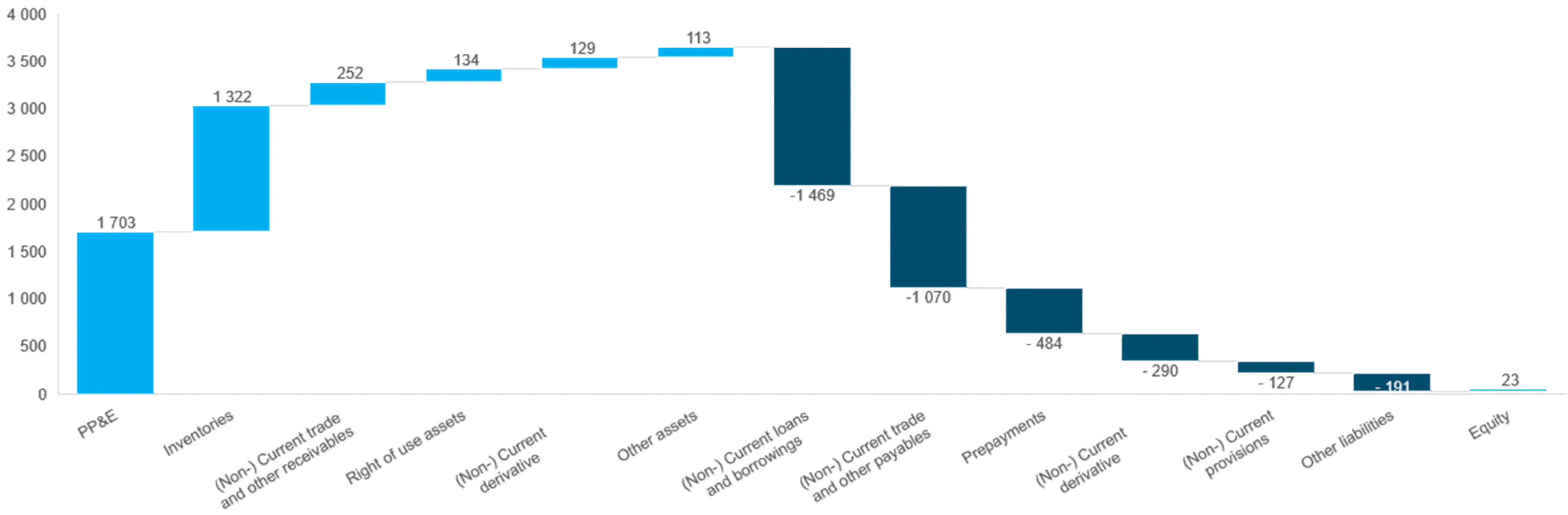
- The logic behind these value adjustments is that the valuation rules applied in the annual accounts reflect a static value of the assets. This view is based on the historical values of these assets and consequently does not take into account their actual fair value. Therefore, special attention must be given to assess the market value of real estate assets, inventories, other fixed assets and provisions for example.

- The adjusted net asset value is static methodology that provides a value at the closing date of the financial statements, without taking into account the company's future earning capacity. This means that the adjusted net asset value does not take into account the value of intangible assets which traditionally are not expressed on the balance sheet, such as the customer base, the skills of the employees, the growth potential, ... (the whole usually referred to as goodwill).

# 5.4 CORRECTED NET ASSETS

## Equity position 30.09.2021

The chart below gives an overview of the most important assets and liabilities, resulting in an equity position of m$ 23,5 as per 30.09.2021.



# 5.4 CORRECTED NET ASSETS

nyrstar

## Conclusion

- The equity position per 30.09.2021 equals m$ 23,5.
- The annual report states that the fair value of the loans and borrowings is m$ 12,2 lower than its carrying value.
- Furthermore, Nyrstar management representatives indicated that the fair value of the real estate does deviate from its book value (m$ 174,1 out of the value of total assets of m$ 3.654). However, since no further information was received, we were not able to take such difference into account in the corrected net assets valuation.
- To make the bridge between the equity position per 30.09.2021 and the valuation date of 31.05.2022, the equity position is modified with the interim result up to 31.05.2022 of m$ -89. Considering the USD to EUR rate of 1,0713, the equity value equals m€ 0,0.

**Taking into account the above, the 2% stake of NNV in NN2 at 31.05.2022 is valued at m€ 0,0.**

- This value is lower than the result of the DCF calculations because future profitability projected, is higher than the required return.
- Note that this valuation does not consider a minority discount. The percentage of a minority discount depends on the rights the minority shareholder has in comparison with a majority position.
- Furthermore, note that no goodwill was considered given the limited profitability over the past years.

# 5 Valuation NN2

# 5.5 CONCLUSION

► To determine the value of the 2% stake of NNV in NN2, Moore used a number of established valuation methodologies. The confrontation of results from these different methodologies leads to a view about an objective value. Following valuation methods have been used in this valuation exercise:

1. **The Discounted Cash Flow method**: considering a WACC between 10,18% and 11,68%, the total enterprise value of NN2 is calculated to be in the range between m$ 1.575 and m$ 1.906. After deduction of the net debt position of m$ -1.599 and the bridge to 31.05.2022 of m$ -123, the total equity value is calculated in the range between m$ 0 and m$ 184. Taking into account the FX rate per 31 May 2022, the 2% stake of Nyrstar nv in NN2 is valued in the range between m€ 0,0 and m€ 3,4.

2. **The EBITDA multiple analysis**: both historical and forward-looking EBITDAs are used and multiplied with LTM and NTM trading multiples on the one hand and a transaction multiple on the other hand. This results in an enterprise value in the range between m$ 1.147 and m$ 1.458. After deducting the net debt position of the Company, the bridge to 31.05.2022, the underfunding of the net working capital position and the USD to euro FX rate, the 2% stake of Nyrstar nv in NN2 is valued at m€ 0,0. Note that the net debt position is high due to catching-up capital investments while the positive impact of these investments are but partially reflected in the 2021-2022 EBITDA.

3. **The Corrected Net Assets method**: the equity position per 30.09.2021 equals m$ 23,5. Since the book value of the loans and borrowings does not reflect its fair market value, an adjustment of m$ 12,2 is made. This results in a corrected net assets valuation of m$ 35,7 per 30.09.2021. Making the bridge to 31.05.2022 and converting the result to euro, the 2% stake of Nyrstar nv in NN2 is valued at m€ 0,0. Note that this valuation method does not reflect the full potential of the NN2 and therefore results in the bottom value for our valuation range.

**Based on our calculations & analysis, the fair market value of the 2% equity stake of NNV in NN2 at 31.05.2022**

**ranges between m€ 0,0 and m€ 3,4**

► The above valuation techniques and assumptions are further explained in this report and its annexes.

► Note that this valuation is based on figures until 30.09.2021, a 2022 – 2027 business plan and interim figures up to 31.05.2022. The latter were used to bridge between 30.09.2021 (latest annual accounts) and 31.05.2022 (valuation date). Furthermore, note that this valuation does not consider a minority discount.

# 5.5 CONCLUSION



## Valuation comparison

- We have noted two relevant reference points: a valuation made by Duff & Phelps within the framework of the restructuring in 2019 and the NN2 equity value as expressed in the Trafigura annual report. Both conclude a higher equity value than our calculations, however, in both cases lower than the m€ 20 strike price of the put option.

- We have tried to understand the differences, even if we have limited (Duff & Phelps) or no (Trafigura) detailed information on these valuations.

- Compared to the Duff & Phelps valuation, we notice:
  - Given the information received and other considerations, the actual valuation is based on NN2 as an entity whereas their exercise valued the smelters, miners and overhead activities separately.
  - There have been changes in the group structure when the Langlois and Myra Falls mines have been divested in 2020.
  - It is probable that business plans have changed compared to 2019.
  - Capex is higher than in the past, resulting in a higher net debt position as of today whereas the positive effects are catered for in the future.
  - The 31.05.2022 interim result is disappointing, significantly below the NN2 expectations and lowering the value (negative bridge of m$ 123).
  - Underlying metrics in the WACC calculations may have evolved over time.

- Compared to Trafigura, it seems that a large portion of the difference relates to the calculation of the net debt position and more specifically the effect of the NWC position when bridging the enterprise to the equity value in the DCF methodology. Although in our calculation we do not consider NWC as a cash-like item for DCF purposes, as Trafigura does, we have calculated the effect by following the same valuation logic as Trafigura. This calculation is expressed on slide 51. The conclusion still is a substantially lower value than the m€ 20 put option exercise price.

# 6 Financial Consequences of (not) exercising the Put Option

## General information

**Limited Recourse Loan Facility (LRLF)**

On 23 July 2019, the Company entered into a m€ 13,5 limited recourse loan facility provided by NN2. The Limited Recourse Loan Facility is made available in two separate tranches:

- Facility A: limited up to m€ 8,5 to be applied towards the Company's ongoing ordinary course operating activities.
- Facility B: limited up to m€ 5,0 intended for the payment or reimbursement of costs in respect of any litigation, proceedings, actions or claims (including tax claims) made, asserted or threatened against the Company, NN1 Newco Limited or any of their current or former directors or offices.

In case of Facility A, following utilisation limits cannot be exceeded:
- m€ 3,7 one year after the restructuring effective date
- m€ 4,9 two years after the restructuring effective date
- m€ 6,1 three years after the restructuring effective date
- m€ 7,3 four years after the restructuring effective date
- m€ 8,5 five years after the restructuring effective date

The exercise of the Put Option triggers the mandatory prepayment of the limited recourse loan facility based on and subject to the conditions of the facility.

Based on the Company's assessment and the repayment conditions of the LRLF, the Company does not expect to repay the LRLF or its part at the time of the potential exercise of the Put Option. The Company will continue to monitor the development of the net assets (as defined by the LRLF) until the completion of the liquidation process to consider whether any repayment of the LRLF needs to be made during or at the end of the liquidation process.

# 6.1 FINANCIAL CONSEQUENCES

nyrstar

## General information

**Date of liquidation**

The Company is currently involved in a number of legal and administrative proceedings. Based on the input of the Company, it is expected to take at least 6 years to end the ongoing proceedings and investigations. Given this situation, it is assumed that the liquidation of the Company will take place in June 2028 (at the earliest).

**Scenarios**

To point out the financial consequences of (not) exercising the Put Option, 3 possible scenarios are considered:

- Scenario 1: exercising the Put Option
- Scenario 2: not exercising the Put Option and maintaining the 2% investment in NN2
- Scenario 3: not exercising the Put Option and disposal of the 2% investment in NN2

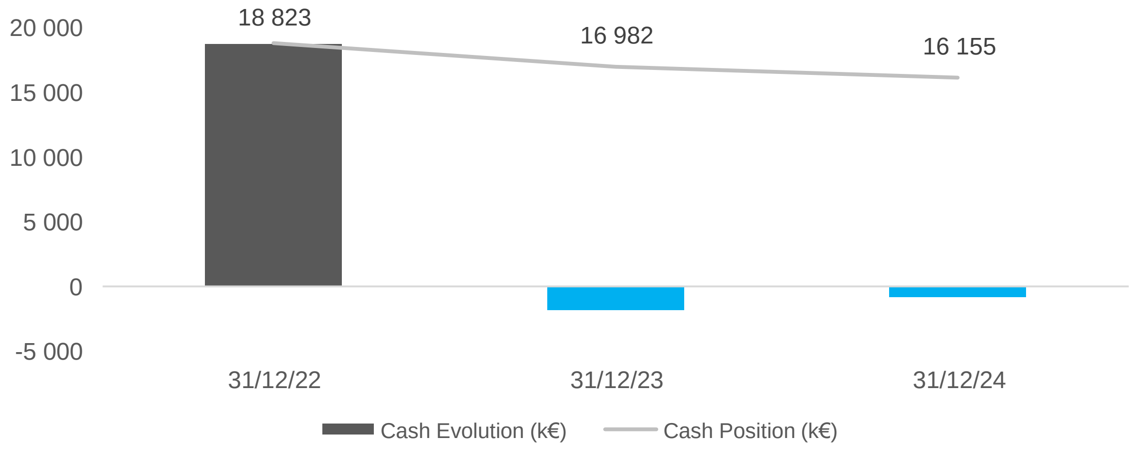
# 6.1 FINANCIAL CONSEQUENCES

nyrstar

## Scenario 1: exercising the Put Option

| (k€) | 31/12/22 | 31/12/23 | 31/12/24 |
|---|---|---|---|
| Cash Position BOP | 63 | 18 823 | 16 982 |
| **Receipts** | | | |
| Draw Loan facility A | 600 | 0 | 0 |
| Draw Loan facility B | 1 519 | 0 | 0 |
| Exercise of the Put Option | 20 000 | 0 | 0 |
| Total receipts | 22 119 | 0 | 0 |
| **Expenses** | | | |
| Director fees | -455 | -152 | 0 |
| Accounting expenses | -218 | -215 | -192 |
| D&O insurance | -373 | 0 | 0 |
| Tax lawyers | -5 | -5 | -5 |
| Legal expenses | -1 699 | -390 | -130 |
| Other operating costs | -491 | -770 | -140 |
| Liquidator expenses | -118 | -310 | -360 |
| Liquidator costs | 0 | -310 | -360 |
| 7:97 related costs and interest expenses | -118 | 0 | 0 |
| Total expenses | -3 359 | -1 841 | -827 |
| **Repayments** | | | |
| Repayment loan facility A | 0 | | |
| Repayment loan facility B | 0 | | |
| Total repayments | 0 | 0 | 0 |
| Cash drain period | 18 760 | -1 841 | -827 |
| **Cash Position EOP** | **18 823** | **16 982** | **16 155** |

Note: BOP = beginning of period – EOP = ending of period
Source: NNV Cash Flow Forecast 2022 - 2030




Based on the Company's assessment from 20 May 2022 and based on the conditions of the LRLF at the possible exercise of the Put Option prior to 31 July 2022, the Company does not expect to repay the LRLF or its part at the time of the potential exercise of the Put Option. The Company will continue to monitor the development of the net assets (as defined by the LRLF) until the completion of the liquidation process to consider whether any repayment of the LRLF needs to be made during or at the end of the liquidation process.

Taking this and the expenses mentioned on the next slide into account, the Company assumes that it will have an available cash position of approximately m€ 16 by the end of 2024.

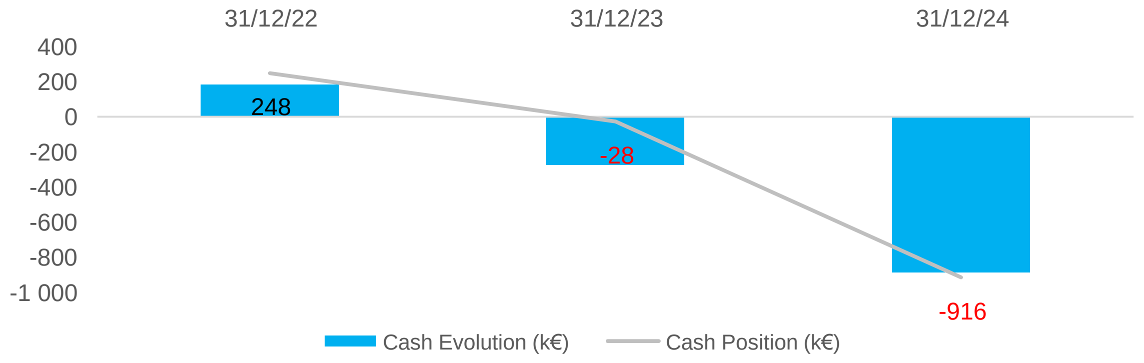
## Scenario 1: exercising the Put Option

Given the Company is involved in a number of ongoing proceedings, the liquidation is expected to be finalised in Q2 2028 at the earliest. Until that moment, the Company will have to bear several expenses:

- **Director fees**
  as the Liquidator is assumed to be appointed in May 2023, the board is expected to stay and to be paid until the end of April 2023.
- **Accounting expenses**
  including accounting services and audit fees.
- **Legal expenses, including:**
  - Listing fees
  - External lawyer fees and other legal expenses, including:
    - the fees of Freshfields and Quinz (until the appointment of the liquidator).
    - an estimation of the costs in relation to the ongoing investigations.
  - Expenses related to the annual shareholders meeting.
- **Other operating costs:**
  including the cost for the management services provided to the Company on a consultancy basis until October 2023 (i.e. 6 months after the assumed appointment of the liquidator)
- **Liquidator and other costs, including:**
  - Cost of the liquidator (who is assumed to be appointed in May 2023).
  - Art. 7:97 related costs and interest expenses.

## Scenario 2: not exercising the Put Option and maintaining the 2% investment in NN2

| (k€) | 31/12/22 | 31/12/23 | 31/12/24 |
|---|---|---|---|
| Cash Position BOP | 63 | 248 | -28 |
| **Receipts** | | | |
| Draw Loan facility A | 1 500 | 1 500 | 0 |
| Draw Loan facility B | 2 068 | 126 | 0 |
| Exercise of the Put Option | 0 | 0 | 0 |
| Total receipts | 3 568 | 1 626 | 0 |
| **Expenses** | | | |
| Director fees | -455 | -152 | 0 |
| Accounting expenses | -218 | -215 | -192 |
| D&O insurance | -373 | 0 | 0 |
| Tax lawyers | -5 | -5 | -5 |
| Legal expenses | -1 948 | -888 | -130 |
| Other operating costs | -242 | -272 | -140 |
| Liquidator expenses | -141 | -371 | -421 |
| Total expenses | -3 382 | -1 902 | -888 |
| **Repayments** | | | |
| Repayment loan facility A | | | |
| Repayment loan facility B | | | |
| Total repayments | 0 | 0 | 0 |
| Cash drain period | 185 | -276 | -888 |
| **Cash Position EOP** | **248** | **-28** | **-916** |
| Total drawn loan facility A | 7 000 | 8 500 | 8 500 |
| Total drawn loan facility B | 4 874 | 5 000 | 5 000 |
| Total | 11 874 | 13 500 | 13 500 |




Assuming no exercise of the Put Option and maintaining the 2% investment in NN2, the Company is expected to run out of cash in April 2023. Although, in this scenario, the Company would not be required to repay the loan facility, it would still run out of cash because in February 2023 the Company would have fully drawn on the loan facility B (limited to m€ 5,0) and would not be able to cover its running litigation related costs. This would be the case even though there would still be headroom on loan facility A. The limit of this facility is m€ 8,5 but limited to the drawing of m€ 1,2 per year (starting on 1 August 2022). Since this limit would be reached in February 2023, it would not be possible to draw further on this loan facility before 1 August 2023.

If the Company would be able to bridge the period between February 2023 and August 2023 and it would use the last drawing of m€ 1,2 in August 2023, the cash position is expected be approximately k€ -28 at 31 December 2023 and k€ - 916 by the end of 2024.

Note: BOP = beginning of period – EOP = ending of period
Source: NNV Cash Flow Forecast 2022 - 2030

## Scenario 2: not exercising the Put Option and maintaining the 2% investment in NN2

Since the only asset the Company can pledge is the 2% equity stake in NN2 and the Company has no other activity than holding this stake and managing ongoing litigations and investigations, external financing may be difficult to obtain.

Furthermore, it is deemed unlikely by NNV management that dividends of NN2 will be received in this scenario. Given the recent announcement (28 April 2022) of an investment in a new electrolysis plant in Hobart, NNV management assumes that any available funds will be used by NN2 to finance this and other investments.

# 6.1 FINANCIAL CONSEQUENCES

## Scenario 2: not exercising the Put Option and maintaining the 2% investment in NN2

Given the Company is involved in a number of ongoing proceedings, the liquidation is expected to be finalised in Q2 2028 at the earliest. Until that moment, the Company will have to bear several expenses:

- **Director fees**
  as the Liquidator is assumed to be appointed in May 2023 at the earliest, the board is expected to stay and to be paid at least until the end of April 2023.
- **Accounting expenses**
  including accounting services and audit fees.
- **Legal expenses, including:**
  - Listing fees
  - External lawyer fees and other legal expenses, including:
    - the fees of Freshfields and Quinz (until the appointment of the liquidator).
    - an estimation of the costs in relation to the ongoing investigations.
  - Expenses related to the annual shareholders meeting.
  - A part of the cost for consulting services
- **Other operating costs:**
  including a part of the cost for the management services provided to the Company on a consultancy basis until October 2023 (i.e. 6 months after the assumed appointment of the liquidator)
- **Liquidator and other costs, including:**
  - Cost of the liquidator (who is assumed to be appointed in May 2023 at the earliest).
  - Art. 7:97 related costs and interest expenses. Since the LRLF will not be repaid, the interest expenses are higher in this scenario.

# 6.1 FINANCIAL CONSEQUENCES

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## Scenario 3: not exercising the Put Option and disposal of the 2% investment in NN2

The press release (published on 18 November 2021) relating to the Put Option, states that:

*The Put Option expires on 31 July 2022, subject to limited triggers allowing earlier termination of the Put Option before 31 July 2022. In making its decision on whether or not to exercise the Put Option, the Committee of Independent Directors will also duly consider any substantiated third party bids, including of the Company's shareholders other than Trafigura and/or of other stakeholders and third parties, that it may receive in respect of the 2% shareholding in NN2. Any such bids for the 2% shareholding in NN2 may be addressed to the Company prior to 15 February 2022. Considering the Company's situation, the capacity of any bidder to complete and finance its bid, and evidence thereof, will be relevant.  Trafigura does not have a right of first refusal in respect of the 2% shareholding.*

Despite this publication and after the annual report published on 13 April 2022, the press release of 27 May 2022 and the annual general shareholders' meeting held on 28 June 2022, according to our knowledge, no bid has been received.

Furthermore, it is deemed unlikely that NNV will be able to dispose the 2% investment in NN2 to a third party before the maturity date of the option at a price higher than m€ 20:

- Limited rights are attached to the 2% minority stake;
- The remaining time to find a potential buyer is limited;
- A proper due diligence process requires time, sufficient information and significant additional expenses;
- Considering the valuation performed, a price above the Put Option exercise price seems highly unlikely.

Based on the valuation performed it is also unlikely that NNV will be able to dispose the 2% investment in NN2 to a third party or Trafigura after the maturity date of the option for more than m€ 20.

## Consequences of exercising the Put Option

**The exercise of the Put Option triggers the mandatory prepayment of the limited recourse loan facility under the funding agreement**
In 2019 the Company entered into a committed funding agreement of m€ 13,5 with NN2. The funding agreement is structured in two separate tranches under well-defined conditions as agreed in the funding agreement :

- Up to m€ 8.5 for the purpose of the ongoing ordinary business operations of the Company (hereinafter facility A); and
- Up to m€ 5,0 intended for the payment of certain litigation defence costs (hereinafter facility B).

No security, collateral or guarantees have been provided with respect to the Company's obligations under the funding agreement.

The funding agreement includes mandatory prepayment provisions:

- Immediately upon receipt of any disposal proceeds as defined in Article 6.3 of the funding agreement (hereinafter the Disposal Proceeds), amongst other the net proceeds resulting from the exercise of the Put Option, the Company shall procure that these proceeds are applied first to prepay any amount outstanding under facility B, and secondly, if (i) any disposal proceeds remain after any required prepayment of facility B, and (ii) the aggregate amount of all amounts outstanding under facility A exceeds m€ 5,0, to prepay such facility A amounts to or towards an aggregate amount of m€ 5,0, and
- The occurrence of the exercise of the Put Option (or any other disposal of the Company Equity Stake) also entitles NN2 to cancel the whole or any part of the commitments still available under Funding agreement. Consequently, not only would this result in a termination of withdrawals under the funding agreement, but certain funds drawn under the limited recourse loan facility would need to be repaid with the disposal proceeds if specific thresholds of the net assets (as defined by the LRLF) are met.

**The exercise of the Put Option triggers an early termination of the ongoing services**
Furthermore, as agreed in the NNV – NN2 SPA, NN2 provides certain ongoing operational and administrative services to the Company for a period of three years from the restructuring effective date of 31 July 2019 (or less subject to agreed early termination triggers) SPA (hereinafter the Ongoing Services). The provision of the Ongoing Services to the Company is intended to reduce the Company’s operating costs in the period following 31 July 2019. The exercise of the Put Option or any other disposal of the equity stake is an early termination trigger of such Ongoing Services. However, on 31 July 2022 the Ongoing Services period expires automatically, regardless the exercise of the Put Option. The effect of an early termination resulting from exercising the Put Option would therefore be limited.

# 7 Benefits & Disadvantages of exercising the Put Option

# 7. BENEFITS & DISADVANTAGES OF EXERCISING THE PUT OPTION

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| Benefits | Disadvantages |
|---|---|
| • The exercise price of the Put Option equals m€ 20. Based on the valuation made, it seems unlikely that a third party, including Trafigura, would be willing to pay a higher amount for this equity stake. In other words: the proceeds of exercising the Put Option are substantially greater than the valuation of the 2% equity stake.<br>• NNV will cash in m€ 20 when exercising the Put Option which provides sufficient headroom to cover its outstanding liabilities.<br>• The management and board of NNV will have time to focus on dealing with other important management issues than managing the sale process of this stake and avoid incurring the costs related to such sale process.<br>• After repayment of the outstanding liabilities, the Company may choose to invest the surplus in other assets, e.g. investments in cash deposits, short-term investment grade corporate bonds, index funds and/or other investments contemplated by Nyrstar NV's corporate purpose clause.<br>• No immediate repayment of the LRLF to NN2 by NNV (according to both NNV management and legal opinion received). Note that the Company will continue to monitor the development of the net assets (as defined by the LRLF) until the completion of the liquidation process to consider whether any repayment of the LRLF needs to be made during or at the end of the liquidation process.<br>• Avoiding a bankruptcy of NNV based on the current cash flow projections. | • The exercise of the Put Option triggers an early termination of the Ongoing Services provided by NN2 to NNV, which may increase the Company's operating costs. However, as the Ongoing Services will cease to be provided as from 31 July 2022, this effect will be minimal.<br>• The exercise of the Put Option implicates that NNV will no longer be entitled to dividends from NN2 (if any).<br>• NNV is responsible for its own costs and charges resulting from a transaction by exercising the Put Option (appendix 10.4 Legal opinion Put Option).<br>• NNV will no longer be able to dispose the 2% investment to a third party or NN2 at a potentially higher price than the exercise price of m€ 20. Based on the valuation made however, this seems very unlikely. |

# 7. BENEFITS & DISADVANTAGES OF (NOT) EXERCISING THE PUT OPTION

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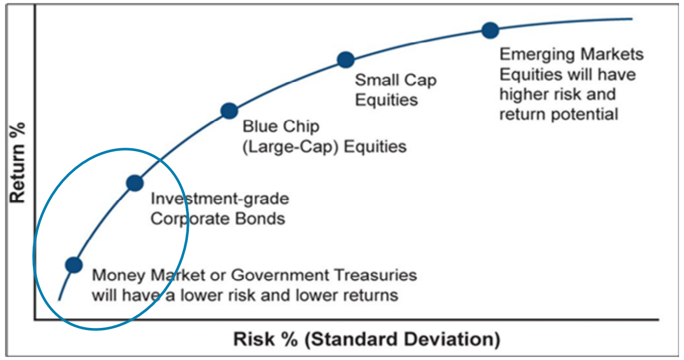
## Alternative investments

Given the Company is involved in a number of ongoing proceedings, the liquidation is expected to occur in June 2028 at the earliest. Until that moment, the Company will have to bear several expenses. Given this situation, a liability-driven investment approach is estimated to be the most relevant approach.

A liability-driven investment (LDI) is primarily slated towards gaining enough assets to cover all current and future liabilities. The LDI strategy starts with estimating the amount of cash the Company will need for each future year. This helps to determine the amount of money the Company will have to withdraw from its portfolio to meet the established cash needed annually. The portfolio must try to invest in a way that provides the Company with the necessary cash flows to meet the yearly withdrawals.

Referring to the previous section, the Company needs k€ 1.841 cash in 2023 and k€ 827 in 2024 to cover all expenses.

The adjacent chart shows the risk-return trade-off which states that the potential return rises when the risk increases. According to the risk-return trade-off, invested money can render higher profits only if the investor will accept a higher possibility of losses.




The appropriate risk-return trade-off depends on a variety of factors including an investor's risk tolerance, the potential to replace lost funds and the time horizon. The latter plays an essential role in determining a portfolio with the appropriate risk and reward levels. If an investor has the ability to invest in equity over a long-term period (> 7 to 8 years), it provides the investor with the possibility to recover from potential losses. Since the Company can only hold its investments ± 5 years until liquidation, an investment of 100% equity does not seem appropriate.

Since the Company's shareholders will be asked to decide on the start of the liquidation process after the possible exercise of the Put Option (in July 2022) at the earliest after the appeal procedure on the expert report has terminated, it is recommended that the Company will take a rather defensive investment strategy. The investment portfolio should contain assets that are liquid and have a low-risk profile. Referring to the risk-return trade-off chart: as the risk increases, the investments become less relevant to the Company.

The alternative investments that the Board could consider to pursue with the proceeds of the Put Option are investments in cash deposits, short-term investment grade corporate bonds, index funds and/or other investments contemplated by Nyrstar NV's corporate purpose clause. We believe that investments beyond that scope would not be advisable unless fitting in a newly defined (and agreed upon) long term strategic plan for the Company.

# 7. BENEFITS & DISADVANTAGES OF (NOT) EXERCISING THE PUT OPTION

## Alternative investments

| Asset | Description | Risk | Relevancy |
|---|---|---|---|
| **Money Market** | The money market refers to trading in very short-term debt investments. It includes money market mutual funds bought by individual investors and money market accounts opened by bank customers (cash deposits). | | |
| **Governement Treasuries** | Government Treasuries includes government bonds, debt securities issued by a government. It can pay periodic interest payments called coupon payments. Government bonds issued by national governments are often considered low-risk investments since the issuing government backs them. Short-term bonds typically yield higher interest rates than money market funds. | | |
| **Investment-grade Corporate Bonds** | Investment-grade Corporate Bonds are bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies, namely bonds rate Baa (by Moody's) or BBB (by S&P and Fitch) or above. These bonds tend to be issued at lower yields than less creditworthy bonds. | | |
| **Blue Chip, Large-Cap Equities** | Large-cap stocks are shares that trade for corporations with a market capitalisation of b$ 10 or more. Large-cap stocks tend to be less volatile during rough markets as investors fly to quality and stability and become more risk-averse. An index fund is a portfolio of stocks or bonds designed to mimic the composition and performance of a financial market index. It seeks to match the risk and return of the market based on the theory that in long term, the market will outperform any single investment. | | |
| **Small Cap Equitties** | A small-cap stock is a stock of a publicly-trade company whose market capitalisation ranges from m$ 300 to approximately b$ 2. Relative to bigger companies, small-cap companies show significantly higher growth potential. Investing in small-cap stocks involves higher risk. Small-cap stocks are less liquid than their large counterparts. Low liquidity results in the potential unavailability of the stock at a good price to purchase or it may be difficult to sell the stocks at a favourable price. | | |
| **Emerging Market** | An emerging market economy is the economy of a developing nation that is becoming more engaged with global markets as it grows. Investors seek out emerging markets for the prospect of higher returns, as they often experience faster economic growth as measured by GDP. However, along with higher returns usually comes much greater risk. Investors' risk in emerging market economies can include political instability, domestic infrastructure problems, currency volatility, and illiquid equity, as many large companies may still be 'state-run" or private. | | |

# 8 Alternative options

# 8. ALTERNATIVE OPTIONS

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In case of not exercising the Put Option (see 6.1 financial consequences | scenario 3), different investor groups can be contacted. In this analysis, potential investors are divided in three groups. For further information about these potential investors, please consult appendix 10.8 Investors in industry peers, 10.9 Investor in other relevant companies and 10.10 special situation investors.

**1. Investors in industry peers**

Investors with a current minority investment in one of the listed peers which are considered in the trading multiples (see 5.3 EBITDA multiple analysis | trading EBITDA multiples)

**2. Investors in other relevant companies**

Minority investors with a current participation in companies which are not part of the peer group.

**3. Special situation investors**

Investors focusing on special situations like distressed companies, turnaround or minority investments, post-restructuring equity, etc.

# 8. ALTERNATIVE OPTIONS

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It seems highly unlikely that a formal sale process aiming at finding a third party willing to buy the 2% equity stake in NN2 at a substantially higher price than the Put Option price, will be successful now or in the future (including a sale to Trafigura) given that:

1. Nyrstar already approached the market with a press release on 18 November 2021, the annual report publishment on 13 April 2022, the press release of 27 May 2022 and the annual general shareholders' meeting held on 28 June 2022. These publishments state that the Committee of Independent Directors will also duly consider any substantiated third-party bids. However, according to our knowledge, no such bid has been received.
2. Investors in industry peers and other relevant companies might not be familiar with taking a minority stake in a subsidiary of a larger entity that also concerns a special situation.
3. Special situation investors might have a lack of specific sector knowledge.
4. Since the equity stake only concerns 2%, the rights of the shareholders of this minority equity stake are limited.
5. The time to find a potential buyer and perform a due diligence process prior to the execution date of the Put Option is limited.
6. The available information (to be able to perform a full scope due diligence) is rather limited.
7. There are costs related to a sales process of the minority stake to a third party.
8. Based on our valuation, the probability of a higher sales price than m€ 20 for the 2% equity stake in NN2 seems unlikely.

# 9 Comments made by the minority shareholders

# 9. COMMENTS MADE BY THE MINORITY SHAREHOLDERS

We have been informed about several questions raised by the minority shareholders of Nyrstar regarding Moore's assignment and have been asked to add a section in this report responding to these comments and requests given the scope of our work as required under Art 7:97 of the Belgian Company Code.

These points are listed below and completed with our observations:

- "Confirm in Moore's report what assets are still 100% owned by the operating Group compared with the time when the restructuring was completed in July 2019."
  - As far as we are informed, Langlois and Myra Falls are no longer part of NNH anymore since these two mines, together with historical legacy mining sites and their associated environmental obligations, have been sold to another Trafigura Group subsidiary in September 2020 for a total cash consideration of m$ 22,0 vs. an aggregated net asset value of m$ 8,1, thus resulting in a gain on disposal of m$ 13,9.
- "Prepare a comparison (waterfall chart) of the valuation of 31 July 2019 used in the restructuring and the valuation as per 31 July 2022 as ell as prepare a valuation as per 31 July 2019."
  - Preparing a separate valuation as per 31 July 2019 had not been included in the scope of our work as such valuation would not be required under Art 7:97 of the Belgian Company Code nor needed for our exercise.
  - Preparing a comparison (waterfall chart) of the valuation of 31 July 2019 used in the restructuring and the valuation as per 31 July 2022 had not been included in the scope of our work as such valuation would not be required under Art 7:97 of the Belgian Company Code.
- "The forecast EBITDA in the bondholder's presentation in 2019 was around m€ 400. The minority shareholders have requested a second waterfall: a reconciliation between the expected EBITDA from 2019 and what is expected in 2022."
  - Such reconciliation had not been included in the scope of our work, as such analysis would not be required under Art 7:97 of the Belgian Company Code.
  - We understand that management has compared the key assumptions used in our valuation with the assumptions presented in the 2019 bondholders' presentation in order to assess whether our assumptions, as provided by Trafigura, are reasonable. The conclusion of this comparison is that the information provided by Trafigura in the business plan provides reasonable and sufficiently robust information with regards to the expected production, profitability and expected cash flows of the Operating Group. Therefore, the information contained in the business plan is considered to be a reliable information source.

# 9. COMMENTS MADE BY THE MINORITY SHAREHOLDERS

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- "Moore to also review the trading profits at Trafigura as they must be taken into consideration when valuing the operating group."
  - Such review had not been included in the scope of our work as such analysis would not be required under Art 7:97 of the Belgian Company Code.
  - Besides, we assume that all NN2 transactions with related parties are concluded at an 'at arm's length basis' in terms of prices, payment and delivery terms, etc. given the governance requirements of both Trafigura and NN2. Consequently, the trading profits of Trafigura do not have an impact on the valuation of the operating group.
- "Moore to prepare a comparison of similar market operators, i.e. to do benchmarking to spot anomalies between the performance of the operating group and similar companies."
  - We performed a benchmark analysis as part of the multiple analysis in the context of the valuation exercise (see slide 55 – 58). In this analysis we have compared various key financial metrics of the Operational Group.
  - A full benchmarking of the performance of the Operating Group and similar companies is not included in the scope of our work as such analysis would bot be required under Art 7:97 of the Belgian Company Code. Since the combination of the smelting and mining activities with a focus on zinc makes NN2 unique, such benchmarking would require to select a peer group per subindustry, and an analysis that goes beyond the scope of what is required under Art 7:97 of the Belgian Company Code (to the extend the detailed level of information needed would be available).

# MOORE
# THE COMPANY'S COMPANION

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# DISCLAIMER

This Opinion has been drafted at the request of the Committee of Independent Directors (hereinafter the Principal) of Nyrstar NV, a limited liability company, organised and existing under the laws of Belgium, with registered office at 2940 Balen, Zinkstraat 1 and registered in the Crossroads Bank of Enterprises under number 0888.728.945 (hereinafter the Company), pursuant to article 7:97 of the Belgian Companies and As-sociations Code (the BCAC), in the context of the potential sale and purchase of the Company's 2% equity stake in NN2 (as defined below) to Nyrstar Holdings (as defined below) in accordance with the terms and conditions set forth in the Put Option deed dated on 25 June 2019 (hereinafter the Envisaged Transaction) (the Assignment), as assigned by the Company to Moore CoFi pursuant to an engagement letter dated 15 November 2021 (the Engagement Letter).

The Opinion has been prepared considering the benefit to the Company of the exercise or non-exercise of the Envisaged Transaction and more precisely the aforementioned Put Option that the Company has in relation to its (entire) 2% investment in NN2 NewCo Limited, a private limited incorporated under the laws of England and Wales with registered number 12052549 and having its registered address at Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB (hereinafter NN2), which holds the Nyrstar operational group, entitling it to sell such 2% to Nyrstar Holdings Limited, a private limited company incorporated under the laws of Malta, registered with company number C91938 with its registered address being Blue Harbour Business Centre, Level 1, Ta'Xbiex Yacht Marina, Ta'Xbiex XBX 1027, Malta (hereinafter Nyrstar Holdings) (or, at Nyrstar Holdings election, any other member of the Trafigura Group, i.e. Trafigura Pte. Ltd., a company incorporated in the Republic of Singapore and having its registered office at 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315 and with company number 199601595D, its direct and indirect parent companies and its subsidiaries, from time to time existing), which may lawfully make any relevant purchase for a fixed amount of m€ 20 (hereinafter the Put Option).

This Opinion can certainly not be seen as a recommendation to either the exercise or non-exercise of the Put Option. This decision is a purely commercial and operational decision which can only be taken by the Principal.

This Opinion is a mere factual assessment of the documents and information available in the Data Room, without the purpose of this assessment to produce an overall financial and tax opinion on such aspects. If this Opinion refers to reports, memoranda or opinions of a third person, the third person shall remain exclusively and fully responsible for the content of these reports, memoranda or opinions.

# DISCLAIMER



**Documents and information**

For the purpose of formulating our Opinion, during the period from 12.01.22 until the end of June, we were granted access by NN2 and by Trafigura Group to the Data Room organised through "Intralinks", in which certain information and documents relating to NN2 and the Trafigura Group were made available to us by or on behalf of the Company, NN2 and Trafigura Group. The information and documents that were available in the Data Room, as well as those that were part of our investigation, are included in the Index (which is exhaustive in nature), which is attached to the Opinion as Appendix 10.3.

We have relied solely on the information and documents available in the Data Room and on the website nyrstar.be/investors. We have assumed that all documents and in-formation available in the Data Room are correct, non-misleading, accurate and complete in all respects, in line with the letter of understanding signed by the Company. In addition, we have assumed that all documents and information available in the Data Room, which are merely copies of original documents, fully correspond to these originals. In the event that documents available in the Data Room and provided to us in draft or "working draft" form have not (yet) been signed by all parties involved, we have assumed that these documents will be (or have been) signed in the form and with the con-tent provided to us for the purposes of the investigation. In the event that documents available in the Data Room were provided to us in the form of an extract, we have assumed that this extract does not give a misleading impression of the document concerned (as a whole). Finally, we have also assumed that no information or documents relevant in the context of our investigation have been withheld from us.

We have further assumed that (a) no agreement or document (or any clause thereof) available in the Data Room has been terminated or modified in writing, orally or implied by the parties concerned, (b) all agreements and documents available in the Data Room (i) have been duly signed, delivered and, if applicable, executed by the parties concerned in accordance with their terms and conditions, and (ii) are valid and legally binding in all respects.

We have not verified the accuracy and completeness of all information and documents that were available in the Data Room. We do not accept any responsibility for the accuracy and completeness of these documents and information.

As only a limited number of documents and information were available in the Data Room, we are not in a position to assess whether these documents and information give a complete, accurate and fair view of (the condition, position, activities and relations of) the Company and NN2 in view of the exercise or non-exercise of the Put Option.

# DISCLAIMER

**Documents and information**

We have assumed that all parties to the agreements and documents that were available in the Data Room were validly incorporated and existed under the laws of the applicable jurisdiction (as far as legal entities are concerned), and had full legal capacity and authority to sign such agreements and documents and to enter into and perform all obligations contained therein. We have assumed that all parties to the agreements that were available in the Data Room have fully and properly performed their respective commitments in all respects.

Furthermore, we also relied - with respect to the agreements and documents that were available in the Data Room - that:

- the directors, agents and other officers of the parties to these agreements and documents - in connection with the signing thereof, as well as the performance of the undertakings contained therein - have exercised their respective powers in accordance with applicable law; and
- they have been validly authorised, signed and performed at all times and in all respects by or on behalf of each party to such agreements and documents; and
- all approvals required by each of the parties to these agreements and documents, for or in connection with the entering into and performance thereof, have been obtained, are in full force and effect and will continue to be so.

During the course of the investigation, we have organised management meetings and submitted written questions to NN2 and Trafigura Group about and with respect to the information and documents available in the Data Room. To the extent and to the extent relevant, the answers to these questions and the outcome of the management meetings have been incorporated into the Opinion.

# DISCLAIMER

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**Matters of foreign law**

Moore Corporate Finance is only qualified to advise under Belgian regulations. We can-not provide advice with respect to the laws of any other jurisdiction (than Belgium) or with respect to the documents or matters that are subject to the laws and regulations of any other jurisdiction (than Belgium). We have not reviewed the documents and information available in the Data Room in light of (or the Opinion prepared on the basis of) the laws and regulations of any jurisdiction (other than Belgium).

**Scope of research**

In view of the foregoing and the nature of the investigation, we cannot guarantee that the documents reviewed by us and the information referred to in this Opinion are complete, true, fair, accurate and precise in view of (the state, position, activities and relations of) the Opinion. We have not conducted a physical inspection of the Company's premises.

In preparing this Opinion, we have not taken into consideration, and have not examined, in respect of the Company:

A. the administrative, technical, actuarial, accounting, operational or other matters or issues;
B. the condition of machinery, vehicles, equipment or other assets;
C. the commercial position or prospects;
D. the valuation of property or any other financial estimates.

If the Opinion nevertheless refers to any of the above matters, then these matters were provided for information purposes only.

Moreover, at the express request of the Principal and in anticipation of any further written instructions in this respect, only a summary high level research has been performed by us with respect to the above-mentioned matters which have been examined by us on the basis of the documents and information available in the Data Room.

This Report does not constitute a legal opinion and cannot be considered as a substitute for specific legal advice regarding the matters treated therein.

# DISCLAIMER

**Exclusivity**

This Opinion is exclusively made for the Principal and the sole purpose of the Envisaged Transaction, and it should not be used for any other purpose. This Opinion is addressed exclusively to the Principal and should not be provided to third parties, including other legal entities, firms or financial institutions, nor should third parties examine or rely upon this Opinion without the prior written consent of Moore Corporate Finance. We shall not be liable in any way in respect of any third party (other than the Principal). Under no circumstances, is there any implied right to rely on this Opinion.

**Terms and Conditions**

For anything not expressly provided, Moore Corporate Finance's general terms and conditions will apply in full and without prejudice.

This Opinion and our services within the framework of the transaction are governed solely by Belgian law. This Opinion is subject to the reservations, qualifications and assumptions to which reference is made. Any liability of Moore Corporate Finance in connection with this Opinion and our services under this Opinion is at all times limited to compensation actually paid out under Moore Corporate Finance's professional liability insurance.

# 10 Appendices

# 10.1 INDEPENDENCE

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## Selected shareholders of Nyrstar

| | Shareholder Nyrstar |
|---|---|
| 1 | Bv Quanteus Group |
| 2 | Mr. Vansanten Kris Jan-Lieven |
| 3 | Bv Bee Inspired (previously Kris Vansanten bv) |
| 4 | Ms. Van Wassenhove Evelyne Nadine Marie Ghislaine |
| 5 | Bv E3V & Partners |
| 6 | Bv Etimar (formerly known as Etienne Schouppe bv) |
| 7 | Mr. Matton Jean-Louis Michele Caroline |
| 8 | Mr Desaintghislain Geoffroy Fabrice Jean Joseph |
| 9 | Mrs De Grave Greet Maria Nicolas |
| 10 | Mr Smolders Johan Ivo |
| 11 | Ms Hardeman Katrien Hilda Johanna |
| 12 | Mr Du Monceau De Bergendal Cedric Lino Marie Claude |
| 13 | Mr Depla Bram |
| 14 | Mr Van Rossum Gwyde Kernelis Jozef, in his own name and in his capacity as a partner of Galina, Partnership |
| 15 | Ms Sonck Zulma, on her own behalf and in her capacity as member of Galina, Partnership |
| 16 | Mr. El Messaoudi Abdel-Karim |
| 17 | Mr. Sclep Roland Antoine Floren |
| 18 | Mr. Vavedin Roeland Jozef Ghislain |
| 19 | Mr. Baessens Robert |
| 20 | Mr. Rijsdijk Jan |
| 21 | Mr. Van Damme Miguel |
| 22 | Mr. Van Geertsom Patrick |
| 23 | Mr. Van Den Tol Willem |
| 24 | Mr. Blondeel Georges |
| 25 | Mr. Dejans Johan |
| 26 | Ms. Piessens Kristin |
| 27 | Mr. Vandervaeren Bert |

| | Shareholder Nyrstar |
|---|---|
| 28 | Mr. Depla Marc |
| 29 | Mr. Pieters Jozef |
| 30 | Mr. Hamoodi Tariq |
| 31 | Mr. Kesler Albert-Josef |
| 32 | Mr. Javad Tabrizi Mohammad |
| 33 | Mr. De Groot Peter |
| 34 | Mr. Broeckx Danny |
| 35 | Mr. Domisse Alain |
| 36 | Mr. Vermaut Frank |
| 37 | Mr. Depla Antoon |
| 38 | Bv Zikojet |
| 39 | Mr. Meuleman Toon |
| 40 | Mr. Vandaele Bart |
| 41 | Mr. Spaenhoven Filip |
| 42 | Bv Spanassur |
| 43 | Ms. Francois Arlette |
| 44 | Mr. Truyen Bartholomeus |
| 45 | Mr. Aelbrecht Theophiel |
| 46 | Nv Group Minerva |
| 47 | Bv Quarinjean Avocat – Advocaat |
| 48 | Mr. Querinjean Olivier |
| 49 | Mr. Meyer Wulf Claus |
| 50 | Mr. Hendrickx Dirk |
| 51 | Ms Vander Stichele Elisabeth |
| 52 | Mr. Marchal Luc |
| 53 | Mr. Gaspard Gerry |
| 54 | Mr. Vanhouttegem Vincent |
| 55 | Mr. Schouppe Etienne |
| 56 | Mr. Van Perlstein Erik |

# 10.2 KEY DOCUMENTS

- See zip folder

# 10.3 INFORMATION RECEIVED



This valuation is mainly based on following documents:

| Document | Source | Date Information Received | Comment |
|---|---|---|---|
| 3.1.3. NV NYRSTAR - Trial Balances 2019 - 2021 | NNV | 12.01.2022 | Trial balances 2019-2021 |
| 3.5 Current trading update | NNV | 12.01.2022 | Current trading update |
| 3.4 Off-balance sheet liabilities and obligations | NNV | 12.01.2022 | Off-balance sheet liabilities and obligations |
| 3.2 Management reporting | NNV | 12.01.2022 | Management reporting |
| 3.1.1. 2020-nyrstar-nv-signed-fs | NNV | 12.01.2022 | Nyrstar NV - Report of the board – Statutory financial Statements 31-12-2020 – Audit report |
| 3.1.2. 2019-nyrstar-nv-signed-fs | NNV | 12.01.2022 | Nyrstar NV - Report of the board – Statutory financial Statements 31-12-2019 – Audit report |
| LRLF Utilisation and interest overview | NNV | 12.01.2022 | Limited Recourse Loan Facility - Utilisation and interest overview |
| 3.3.1. NNV Funding Agreement | NNV | 12.01.2022 | Funding agreement LRLF for Nyrstar NV provided by NN2 Newco Limited |
| 2.2. NNV-NN2 SPA | NNV | 12.01.2022 | Deed for the sale and purchase of shares and assets held by Nyrstar NV |
| 2.1. Put Option Deed | NNV | 12.01.2022 | Put Option Deed between Nyrstar NV, Nyrstar Holdings Limited and Trafigura PTE. LTD. |
| 1.2. Principal shareholders | NNV | 12.01.2022 | Principal shareholders |
| 1.1. Group legal entity structure | NNV | 12.01.2022 | Group legal entity structure |
| 4.2.1. NNV Cash Forecast 2021-12-31 - Provision for discontinuation v2 | NNV | 27.01.2022 | Cash Flow Forecast (until 30 June 2030) (Put Option exercised) – version 2 |
| report-524 | NNV | 14.03.2022 | Nyrstar NV – report by the Committee of Independent Directors (article 524 of the Belgian Companies Code) |
| put-option-over-nn2-summary-for-website | NNV | 14.03.2022 | Put Option - summary for website |
| 7NYRST-1 | NNH | 14.03.2022 | Nyrstar Group – Management Reporting Fiscal Year 2020 and 2021 |

# 10.3 INFORMATION RECEIVED

This valuation is mainly based on following key documents:

| Document | Source | Date Information Received | Comment |
|---|---|---|---|
| 52020--1 | NNH | 14.03.2022 | Group Results NMC Pack – September 2020 |
| 62021--1 | NNH | 14.03.2022 | Group Results – September 2021 |
| 4. 2021 NNH annual report draft and unaudited | NNH | 14.03.2022 | NNH annual report 2021 draft and unaudited |
| 2021_trafigura_annual_report | NNH | 14.03.2022 | Trafigura annual report 2021 |
| 22.02.23 Transmittal letter PWC | NNH | 14.03.2022 | Transmittal letter PWC |
| IAC_8061_806113634381 | NNV | 14.03.2022 | Interactive Analyst Center (Excel) Nyrstar NV – Financial data until 30 June 2019 |
| 3a. Auditors opinion NNH 2020 signed | NNH | 14.03.2022 | Auditors' opinion NNH 2020 |
| 32020N-1 | NNH | 14.03.2022 | Nyrstar Netherlands (Holdings) bv – Special Purpose Consolidated Financial Statements 30 September 2020 |
| NNV Cash Forecast 2021-12-31-provision for discontinuation v5 vs 31-12-2020 | NNV | 29.03.2022 | Cash Flow Forecast (until 30 June 2030) (Put Option exercised) - version 5 |
| NNV Cas-3 | NNV | 01.04.2022 | Cash Flow Forecast (until 30 June 2030) (Put Option not exercised) - version 5 |
| 9. Nyrstar Business Plan FY22-27 | NNH | 05.04.2022 | Nyrstar Business Plan FY 2022 - 2027 |
| 10. Nyrstar UTP Overview - FY21 P12 summary | NNH | 05.04.2022 | Nyrstar UTP Overview FY 2021 |
| 8. Environmental Liabilities and Provisions V10.0 | NNH | 05.04.2022 | Environmental Liabilities and Provisions |
| 220220-1 | NNH | 05.04.2022 | Group legal entity structure |
| Modeling Nyrstar June 2018 | NNV | 05.04.2022 | Modeling Nyrstar June 2018 |
| NNV-Trafigura Deed (SIGNED)- 19 June 2019 | NNV | 15.04.2022 | Deed 19 June 2019 between Nyrstar NV, Trafigura PTE LTD and Nyrstar Holdings Limited |

# 10.3 INFORMATION RECEIVED

This valuation is mainly based on following documents:

| Document | Source | Date Information Received | Comment |
|---|---|---|---|
| NNV Cas-4 | NNV | 20.04.2022 | Cash Flow Forecast (until 30 June 2030) (Put Option not exercised) - version 5 adjusted |
| NNV Cash Forecast 2021-12-31-provision for discontinuation v5 vs 31-12-2020 (adj) | NNV | 20.04.2022 | Cash Flow Forecast (until 30 June 2030) (Put Option exercised) - version 5 adjusted |
| Item 17 Fair value versus book value | NNH | 11.05.2022 | NNH balance sheet items – fair value versus book value |
| 19. Financial Indebtedness - 2022 03 | NNH | 11.05.2022 | Financial Indebtedness as per 31.03.2022 |
| 2022-03 NMC Monthly Report - Crab Apple | NNH | 11.05.2022 | Monthly Report Q1 2022 |
| 2021-12 NMC Monthly Report - Crab Apple | NNH | 11.05.2022 | Monthly Report Q4 2021 |
| Question 16. NNH - Tax bridge file current tax | NNH | 11.05.2022 | NNH Tax Bridge File – Current Tax |
| Question 18. PPE  2021.SEP(V2) | NNH | 11.05.2022 | Details PPE 09.2021 |
| 220220~1 | NNH | 12.05.2022 | Updated Group Structure |
| 9. Nyrstar Business Plan FY22-27 | NNH | 12.05.2022 | Nyrstar Business Plan FY22-27 |
| 4. Nyrstar Business Plan FY22-27 with site details | NNH | 12.05.2022 | Nyrstar Business Plan FY22-27 with site details |
| NNV_NN2 Info Request Response Letter_2021 07 21- | NNH | 19.05.2022 | Information Request Response Letter 21.07.2021 |
| Memo - LRLF expected repayment if the Put Option is excercised v3 | NNV | 20.05.2022 | Memo about the assessment of the LRLF repayment |
| Capex overview 2016 – 2018 | NNV | 25.05.2022 | Capex Overview |
| NN2 FS 30-9-2021 | NNH | 09.06.2022 | NN2 Annual report and financial statements 30.09.2021 |

# 10.3 INFORMATION RECEIVED

This valuation is mainly based on following documents:

| Document | Source | Date Information Received | Comment |
|---|---|---|---|
| NNBECB~1 | NNV | 16.06.2022 | Updated cash flow forecast NNV (exercising the Put Option) |
| STAMPED - 2021 NNH annual report final signed | NNH | 21.06.2022 | NNH annual report 30.09.2021 (signed) |
| 2022-05 NMC Monthly Report - Crab Apple | NNH | 20.06.2022 | NNH Current trading 31.05.2022 |
| Nyrstar Business Plan FY22-27 with site details v.2 | NNH | 22.06.2022 | Nyrstar updated Business plan with site details |
| 2021 Nyrstar Holding and Financing Financial Statements | NNH | 22.06.2022 | Nyrstar Holdings & Financing LTD annual report 30.09.2021 |
| Put Option – Memo to the Independent Committee v5 | NNV | 22.06.2022 | Memo to the Independent Committee |

# 10.4 LEGAL OPINION PUT OPTION

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- See file ‘Memo Put Option independent expert's opinion (legal perspective)’

# 10.5 INDUSTRY EXPERT'S OPINION

- See file 'Nystar model - macros & inputs review - Final'

# 10.6 TRADING MULTIPLES

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| Company (long) | Target Description | Enterprise Value (in m$) | Market Capitalization (in m$) |
|---|---|---|---|
| **Glencore plc (LSE:GLEN)** | Glencore plc produces, refines, processes, stores, transports, and markets metals and minerals, and energy products in the Americas, Europe, Asia, Africa, and Oceania. It operates through two segments, Marketing Activities and Industrial Activities. The company produces and markets copper, cobalt, nickel, zinc, lead, chrome ore, ferrochrome, vanadium, alumina, aluminum, tin, and iron ore. It also engages in the oil exploration/production, distribution, storage, and bunkering activities; and offers coal, crude oil and oil products, refined products, and natural gas. In addition, the company markets and distributes physical commodities sourced from third party producers and its production to industrial consumers in the battery, electronic, construction, automotive, steel, energy, and oil industries. Further, it provides financing, logistics, and other services to producers and consumers of commodities. The company was formerly known as Glencore Xstrata plc and changed its name to Glencore plc in May 2014. Glencore plc was founded in 1974 and is headquartered in Baar, Switzerland. | 115 220,50 | 87 839,40 |
| **Newmont Corporation (NYSE:NEM)** | Newmont Corporation engages in the production and exploration of gold. It also explores for copper, silver, zinc, and lead. The company has operations and/or assets in the United States, Canada, Mexico, Dominican Republic, Peru, Suriname, Argentina, Chile, Australia, and Ghana. As of December 31, 2021, it had proven and probable gold reserves of 92.8 million ounces and land position of 62,800 square kilometers. The company was founded in 1916 and is headquartered in Denver, Colorado. | 64 980,30 | 64 220,30 |
| **Zijin Mining Group Company Limited (SEHK:2899)** | Zijin Mining Group Company Limited, together with its subsidiaries, engages in prospecting, exploration, and mining mineral resources in Mainland China. It primarily produces gold bullion; gold, copper, zinc, tungsten, lead, and iron ore concentrates; and copper cathodes, zinc bullion, sulphuric acid, copperplate, silver, iron, etc., as well as molybdenum, cobalt, tin, coal, platinum, and palladium. The company was formerly known as Fujian Zijin Mining Industry Company Limited and changed its name to Zijin Mining Group Company Limited in June 2004. Zijin Mining Group Company Limited was founded in 1986 and is based in Longyan, the People's Republic of China. | 59 686,60 | 46 601,40 |
| **First Quantum Minerals Ltd. (TSX:FM)** | First Quantum Minerals Ltd., together with its subsidiaries, engages in the exploration, development, and production of mineral properties. It primarily explores for copper, nickel, pyrite, gold, silver, and zinc ores, as well as produces acid. The company has operating mines located in Zambia, Panama, Finland, Turkey, Spain, Australia, and Mauritania, as well as a development project in Zambia. It is exploring the Taca Taca copper-gold-molybdenum project in Argentina, as well as the Haquira copper deposit in Peru. The company was formerly known as First Quantum Ventures Ltd. and changed its name to First Quantum Minerals Ltd. in July 1996. First Quantum Minerals Ltd. was incorporated in 1983 and is headquartered in Toronto, Canada. | 31 517,10 | 22 617,60 |
| **Teck Resources Limited (TSX:TECK.B)** | Teck Resources Limited engages in exploring for, acquiring, developing, and producing natural resources in Asia, Europe, and North America. It operates through Steelmaking Coal, Copper, Zinc, Energy, and Corporate segments. The company's principal products include steelmaking coal; copper, gold, blended bitumen, lead, silver, molybdenum, zinc, and zinc concentrates; chemicals, fertilizers, and other metals. It also produces indium and germanium. In addition, the company holds interest in Frontier oil sands projects in the Athabasca region of Alberta; and owns interests in exploration and development projects in Australia, Chile, Ireland, Mexico, Peru, Turkey, and the United States. The company was formerly known as Teck Cominco Limited and changed its name to Teck Resources Limited in April 2009.Teck Resources Limited was founded in 1913 and is headquartered in Vancouver, Canada. | 27 910,50 | 21 172,40 |
| **Hindustan Zinc Limited (BSE:500188)** | Hindustan Zinc Limited explores for, extracts, and processes minerals in India, Asia, and internationally. The company operates through Zinc, Lead, Silver & Others, and Wind Energy segments. It produces refined zinc and lead, and silver, as well as sulphuric acid. The company also operates thermal captive power plants with a total power generation capacity of 561.19 megawatts; wind power plants with a capacity of 273.5 megawatts; solar power plants with a capacity of 40.42 megawatts; and waste heat power plants with a capacity of 35.27 megawatts. Hindustan Zinc Limited was incorporated in 1966 and is headquartered in Udaipur, India. Hindustan Zinc Limited is a subsidiary of Vedanta Limited. | 16 336,20 | 18 852,20 |

Sources: Capital IQ

# 10.6 TRADING MULTIPLES

nyrstar

| Company (long) | Target Description | Enterprise Value (in m$) | Market Capitalization (in m$) |
|---|---|---|---|
| **Boliden AB (publ) (OM:BOL)** | Boliden AB (publ) engages in the exploring, extracting, and processing of base metals and precious metals in Sweden, other Nordic region, Germany, the United Kingdom, the rest of Europe, North America, and internationally. The company operates through two segments, Business Area Mines and Business Area Smelters. It explores for copper, zinc, nickel, lead, gold, silver, cobalt, tellurium, platinum, and palladium deposits. The company operates the Aitik, the Boliden Area, and Garpenberg mines in Sweden; the Tara mine in Ireland; and the Kevitsa mines in Finland. Its products include zinc and lead ingot, copper cathode, gold bar, and silver granule, and other products, such as sulphuric acid; copper, lead, nickel, and zinc concentrates; and by-products, including copper sulphate, zinc clinker, iron sand, copper telluride, selenium, nickel matte, and crude nickel sulphate, as well as palladium, platinum, rhodium, iridium, ruthenium, and osmium concentrates. The company sells its metals primarily to industrial customers, as well as construction, electronics, and automotive industries; and paper manufacturers. Boliden AB (publ) was founded in 1924 and is headquartered in Stockholm, Sweden. | 14 012,90 | 14 232,20 |
| **Sumitomo Metal Mining Co., Ltd. (TSE:5713)** | Sumitomo Metal Mining Co., Ltd., together with its subsidiaries, engages in mining, smelting, and refining non-ferrous metals in Japan and internationally. It operates through three segments: Mineral Resources, Smelting & Refining, and Materials. The company provides metal products, including copper, nickel/cobalt, gold/precious metal, and other deposits. It also offers Battery Materials, such as nickel hydroxides and lithium nickel-cobalt-aluminum oxides; crystal materials, including lithium tantalates/lithium niobates, optical isolators, and faraday rotators; powder materials comprising thick film pastes, nickel powders, fine copper powders, nickel oxides, near-infrared shielding materials, deep-tinting materials, sputtering targets/tablets, electromagnetic sheets and coils, rare earth magnetic materials, and lubricants; package materials consisting of copper-clad polyimide films and printed wiring boards; automotive/chemical, hydro processing (HPC), rejuvenation and regeneration of HPC, and petrochemical catalysts products; construction materials; and terminal and connectors, and lens barrels. In addition, the company is involved in the water and precious recycling; water treatment and environment-related engineering; sterilization and property modification by irradiation; and domestic marine transportation businesses. Additionally, it engages in the real estate and technical engineering businesses. The company was formerly known as Seika Kogyo (Mining) Co., Ltd. and changed its name to Sumitomo Metal Mining Co., Ltd. in June 1952. Sumitomo Metal Mining Co., Ltd. was founded in 1590 and is headquartered in Tokyo, Japan. | 16 593,40 | 13 835,40 |
| **Korea Zinc Company, Ltd. (KOSE:A010130)** | Korea Zinc Co., Ltd. operates as a general non-ferrous metal smelting company primarily in South Korea. The company offers zinc slab ingots, alloy jumbo blocks, anode ingots, and die cast ingots for use in galvanized steel/steel/iron, color steel/ accessories, automotive parts, mechanical, electronic components, and paintworks. It also provides lead and lead alloy ingots used in automotive and industrial batteries, wire sheaths, batteries, radiation shielding, rust-proofing paint, etc.; and copper cathodes for use in brass, copperplate, copper pipe, copper wire, etc. In addition, the company offers gold used in semiconductors, substrates, electrical transmission materials, jewelry, medical products, bonding wires, coins, etc.; and silver for use in electronics, cameras, X-ray films, jewelry, etc. Further, it provides other rare metals, including indium, bismuth, antimony, cadmium, tellurium, cobalt, and selenium; sulfuric acid used in inorganic chemicals, metal refining, steel making, and spinning and weaving, as well as in chemical and fertilizer, fiber, and paper manufacturing industries; electronic grade sulfuric acid used for cleaning and etching in semiconductor manufacturing process; and oleum used in nitro compounds, dye stuffs, chloro sulfonic acid, blasting powder, and oxidation. Additionally, the company engages in non-ferrous metals import and export; wholesale and product brokerage; warehouse rental; construction equipment operation; waste lubricant refining; electricity, gas, and steam supply; concentrate export; and logistics businesses. The company was founded in 1974 and is headquartered in Seoul, South Korea. | 7 877,40 | 9 081,80 |
| **Western Mining Co.,Ltd. (SHSE:601168)** | Western Mining Co., Ltd., together with its subsidiaries, engages in the development, mining, smelting, and trading of metals in the western region of China and internationally. It offers basic non-ferrous and ferrous metals, such as copper, lead, zinc, iron, nickel, lead concentrates, zinc concentrates, copper concentrates, iron concentrates, pellets, zinc ingots, electric lead, electrolytic copper, zinc powder, ammonium metavanadate, vanadium, molybdenum, silver, gold, and other metals. It is also involved in the trading of copper, lead, zinc, nickel, and other metals; and financial activities. The company was founded in 2000 and is headquartered in Xining, China. | 8 591,10 | 5 156,00 |

Sources: Capital IQ

# 10.6 TRADING MULTIPLES

nyrstar

| Company (long) | Target Description | Enterprise Value (in m$) | Market Capitalization (in m$) |
|---|---|---|---|
| **Industrias Peñoles, S.A.B. de C.V. (BMV:PE&OLES *)** | Industrias Peñoles, S.A.B. de C.V., together with its subsidiaries, engages in the exploration, extraction, and sale of mineral concentrates and ores in Mexico, Asia, Europe, the United States, Canada, South America, and internationally. It operates through Precious Metal Mines, Base Metal Mines, Metallurgical, and Other segments. The company is also involved in the smelting and refining of non-ferrous metals. It primarily explores for zinc, lead, copper, gold, silver, cadmium, and bismuth deposits. In addition, it produces and sells chemical products, such as sodium sulfate, magnesium oxide, ammonium sulfate, and magnesium sulfate, as well as copper sulfate, zinc sulfate, and antimony trioxide; and provides administrative and operating support services. The company was founded in 1887 and is headquartered in Mexico City, Mexico. | 7 497,50 | 4 919,10 |
| **MMG Limited (SEHK:1208)** | MMG Limited, an investment holding company, engages in the exploration, development, and mining of copper, zinc, gold, silver, nickel, and lead deposits in Australia and internationally. It operates through Las Bambas, Kinsevere, Dugald River, Rosebery, and Other segments. The company holds 62.5% interest in the Las Bambas open-pit copper and molybdenum mine located in Cotabambas, Apurimac region of Peru; and 100% interest in the Kinsevere open-pit copper mine in the Haut-Katanga province of the Democratic Republic of the Congo. It also holds 100% interest in the Dugald River underground zinc mine located near Cloncurry in North West Queensland; and the Rosebery underground polymetallic base metal mine located on Tasmania's west coast. The company was formerly known as Minmetals Resources Limited and changed its name to MMG Limited in September 2012. MMG Limited was incorporated in 1988 and is headquartered in Southbank, Australia. MMG Limited is a subsidiary of China Minmetals Corporation. | 11 345,90 | 4 210,80 |
| **Tibet Summit Resources Co.,Ltd. (SHSE:600338)** | Tibet Summit Resources Co., Ltd. develops non-ferrous metal mineral resources in China. The company engages in mining, dressing, and production of lead-zinc polymetallic mines. It also offers lead, zinc, and copper concentrate powder. The company is based in Shanghai, China. | 3 608,10 | 3 582,30 |
| **Inner Mongolia Xingye Mining Co., Ltd. (SZSE:000426)** | Inner Mongolia Xingye Mining Co., Ltd. engages in mining, extracting, and smelting of non-ferrous and precious metals. Its products include lead, zinc, silver, tin, copper, iron, bismuth, tungsten, and other non-ferrous metals. The company was founded in 1996 and is based in Chifeng, China. | 2 499,40 | 2 184,00 |
| **Hudbay Minerals Inc. (TSX:HBM)** | Hudbay Minerals Inc., a diversified mining company, together with its subsidiaries, focuses on the discovery, production, and marketing of base and precious metals in North and South America. It produces copper concentrates containing copper, gold, and silver; silver/gold doré; molybdenum concentrates; and zinc metals. The company owns three polymetallic mines, four ore concentrators, and a zinc production facility in northern Manitoba and Saskatchewan, Canada, as well as in Cusco, Peru; and copper projects in Arizona and Nevada, the United States. HudBay Minerals Inc. was founded in 1927 and is headquartered in Toronto, Canada. | 2 956,40 | 1 965,30 |
| **Mitsui Mining & Smelting Co., Ltd. (TSE:5706)** | Mitsui Mining & Smelting Co., Ltd. manufactures and sells nonferrous metal products in Japan and internationally. The company operates through four segments: Engineered Materials, Metals, Automotive Parts & Components, and Affiliates Coordination. It manufactures engineered powders comprising ultra-fine powders for electronic materials, powder metallurgy, and solder powders; rare metals, such as tantalumu and niobium oxides and carbides, and cerium oxide abrasives; battery materials, including hydrogen storage alloys, and lithium manganese oxides; catalysts; copper foils; PVD materials; and ceramics for electronic components. The company also offers side door latches, back door latches, hood latches, etc. for automobiles; perlite for processing and cooling; Nenisanso, a soil improvement material; and ROKAHELP, a perlite-based filter aid. In addition, it smelts and recycles nonferrous metals comprising zinc, zinc base alloys, lead, tin, bismuth, antimony trioxide, copper, gold and silver, and sulfuric acid; explores for copper and zinc ores; operates geothermal power plant; and provides resource development and environmental conservation related engineering services. Further, the company offers zinc and lead ingots, zinc sulfate, crude zinc oxide, zinc raw materials, and sulfuric acid and plaster products; chemical products; optical crystals, scintillators, and radiation detectors; aluminum- and magnesium-related die-casted products; rolled copper products; and grinding wheels;. Additionally, it engages in the mechatronics and corrosion prevention businesses; handling wires and cables activities; and provision of engineering services and IT systems. The company was formerly known as Kamioka Mining and Smelting Co., Ltd. and changed its name to Mitsui Mining & Smelting Co., Ltd. in 1952. Mitsui Mining & Smelting Co., Ltd. was founded in 1874 and is headquartered in Tokyo, Japan. | 3 293,80 | 1 522,00 |

Sources: Capital IQ

# 10.6 TRADING MULTIPLES

nyrstar

| Company (long) | Target Description | Enterprise Value (in m$) | Market Capitalization (in m$) |
|---|---|---|---|
| **Nexa Resources S.A. (NYSE:NEXA)** | Nexa Resources S.A., together with its subsidiaries, engages in the zinc mining and smelting business. The company also produces zinc, silver, gold, copper cement, lead, sulfuric acid, sulfur dioxide, copper sulfate, and limestone deposits. It owns and operates five underground polymetallic mines, including three located in the Central Andes of Peru; and two located in the State of Minas Gerais in Brazil. The company also develops the Aripuanã project located in Mato Grosso, Brazil. It exports its products. The company was formerly known as VM Holding S.A. and changed its name to Nexa Resources S.A. in September 2017. The company was founded in 1956 and is based in Luxembourg, Luxembourg. Nexa Resources S.A. is a subsidiary of Votorantim S.A. | 2 554,20 | 1 340,30 |
| **Henan Yuguang Gold&Lead Co.,Ltd. (SHSE:600531)** | Henan Yuguang Gold&Lead Co.,Ltd. produces and sells electrolytic lead, silver, gold, and other nonferrous and precious metal products in China. It is also involved in smelting, and the import and export trade businesses. The company's products include lead ingots, copper cathodes, gold bars, silver ingots, sulfuric acid, lead alloys, modified plastics, copper sulfate pentahydrate, and liquid oxygen and argon, as well as fine bismuth and tellurium, and target and active zinc oxide products. It serves the lead, recycling, copper, rare and precious metal, alloy development, new materials, equipment manufacturing, and trading logistics industries, as well as other related industries, such as chemicals, furnacing, technical consulting and service, and inspection and analysis industries. The company was founded in 2000 and is based in Jiyuan, China. | 1 739,80 | 941,20 |
| **Toho Zinc Co., Ltd. (TSE:5707)** | Toho Zinc Co., Ltd. engages in the smelting and refining, mineral resources, electronic components and materials, environment and recycling, and building materials businesses in Japan. The company offers electrolytic zinc, die-casting zinc alloys, zinc powder, cadmium oxide, sulfuric acid, electrolytic lead, lead alloys, and electrolytic silver and bismuth. It also operates zinc and lead mines; and produces iron and amorphous powders, as well as Fe-Al-Si based powder core materials for use in automotive electronics, office automation equipment, and industrial equipment. In addition, the company provides MAIRON and ATOMIRON electrolytic irons; gold, silver, nickel, tin, and reflow tin electro plates; and machine parts, such as balancing weights, powdered metallurgy products, molds, etc. Further, it recycles zinc oxide from electric furnace dust and small rechargeable batteries; and offers SOFT CALM sound insulation materials. Additionally, the company provides X-ray protection and shielding lead-based building materials for use by housing manufacturers, and medical and industrial fields. Toho Zinc Co., Ltd. was incorporated in 1937 and is headquartered in Tokyo, Japan. | 776,50 | 302,60 |

Sources: Capital IQ

# 10.7 TRANSACTION MULTIPLES



| Target | Target Description | Total Transaction Value (in m$, Historical rate) | Implied Enterprise Value (in m$, Historical rate) |
|---|---|---|---|
| **Vedanta Resources** | Vedanta Resources Limited, a diversified natural resources company, engages in exploring, extracting, and processing minerals, and oil and gas in India, Zambia, Namibia, South Africa, the United Arab Emirates, Liberia, Ireland, Australia, Japan, South Korea, and Taiwan. The company operates through Zinc-India, Zinc-International, Oil & Gas, Iron Ore, Copper-India/Australia, Aluminium, and Power segments. It produces zinc, lead, silver, copper, aluminum, and iron ore, as well as oil and gas. The company also produces and sells power under power purchase agreements with an installed capacity of 8.4 gigawatts of thermal based power generation and 274 megawatts of wind power generation. In addition, it engages in the port and infrastructure operations; refining of precious metals; and manufacture of LCD glass substrates, copper rods, ferro alloys, and steel products. Further, the company provides accommodation and catering services; and real estate services. The company was founded in 1976 and is headquartered in London, the United Kingdom. Vedanta Resources Limited is a subsidiary of Volcan Investments Limited. | 1 011,11 | 19 707,17 |
| **Tahoe Resources** | As of February 22, 2019, Tahoe Resources Inc. was acquired by Pan American Silver Corp. Tahoe Resources Inc., together with its subsidiaries, acquires, explores for, develops, and operates mineral properties in the Americas. It explores for silver, gold, lead, zinc, and copper deposits, as well as precious metals assets. The company holds interest in the La Arena gold mine located in the Huamachuco district of northern Peru; Shahuindo mine located in the province of Cajabamba in northern Peru; and La Arena II, a copper-gold porphyry deposit located in Peru. It also holds interest in the Timmins mines, including the Bell Creek and Timmins West mines, the Fenn-Gib project, the Juby project, the Vogel project, and the Gold River project located in Timmins, Ontario. The company was formerly known as CKM Resources Inc. and changed its name to Tahoe Resources Inc. in January 2010. Tahoe Resources Inc. was incorporated in 2009 and is headquartered in Reno, Nevada. | 1 114,01 | 1 114,01 |
| **Goldcorp** | Goldcorp Inc. acquires, explores for, develops, and operates precious metal properties in Canada, the United States, Mexico, and Central and South America. The company primarily explores for gold, zinc, silver, lead, and copper deposits. Its principal producing mining properties include the Éléonore, Musselwhite, Porcupine, and Red Lake mines in Canada; the Peñasquito mine in Mexico; the Cerro Negro mine in Argentina; and the Pueblo Viejo mine in the Dominican Republic. The company was founded in 1954 and is headquartered in Vancouver, Canada. As of April 18, 2019, Goldcorp Inc. operates as a subsidiary of Newmont Corporation. | 13 084,51 | 12 912,51 |
| **Sihuan Zinc & Germanium Technology** | Sihuan Zinc & Germanium Technology Co., Ltd. engages in the production of electro-zinc. It offers germanium concentrate, silver concentrate, copper concentrate, lead mud, zinc concentrate, zinc ingot products, and germanium dioxide. The company was formerly known as Shimian County Huideli Zinc Industry Co., Ltd. and changed its name to Sihuan Zinc & Germanium Technology Co., Ltd. in December 2015. Sihuan Zinc & Germanium Technology Co., Ltd. was founded in 1992 and is based in Yaan, China. As of April 26, 2019, Sihuan Zinc & Germanium Technology Co., Ltd. operates as a subsidiary of Chengtun Mining Group Co., Ltd. | 446,83 | 449,51 |

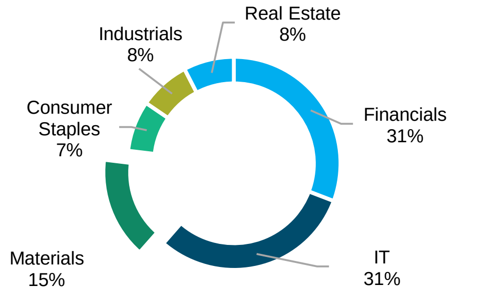
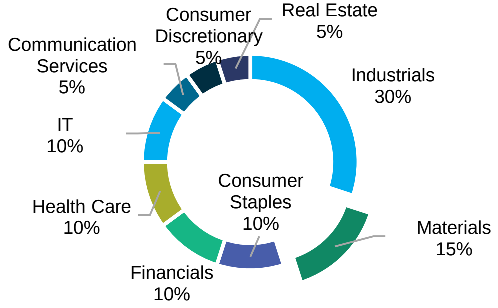
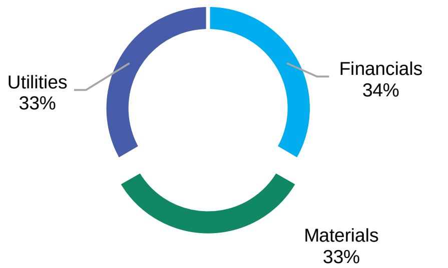
# 10.7 TRANSACTION MULTIPLES

nyrstar

| Target | Target Description | Total Transaction Value (in m$, Historical rate) | Implied Enterprise Value (in m$, Historical rate) |
|---|---|---|---|
| **Highland Gold Mining** | Highland Gold Mining Limited engages in the gold mining operations in Russia and Kyrgyzstan. The company explores for gold, silver, zinc, and lead. The company's Gold Production of Khabarovsk Region segment holds 100% interests in the Mnogovershinnoye mine, which is located in the Nikolaevsk area of the Khabarovsk Territory in the far-east of Russia; and the Belaya Gora, which is located in the Khabarovsk region, Russia. Its Gold Production of Chukotka Region segment holds a 100% interest in the Valunisty mine, the surrounding Kanchalano-Amguemskaya Square license, and the Kayenmivaam exploration license located in the Anadyrsky district of the Russian Far East region of Chukotka. The company's Polymetallic Concentrate Production segment holds a 99% interest in the Novoshirokinskoye deposit that is located in the Zabaikalsky region, Russia. Its Development and Exploration segment holds 100% interests in the Kekura deposit, which is situated in the Chukotka region; the Klen deposit that is located in the southwest of Bilibino, north-eastern Russia; the Taseevskoye deposit, which is located in the Zabaikalsky region, Russia; and the Unkurtash project that is located in Kassan, Kyrgyzstan. This segment also holds interests in the Lubov project. The company also offers project engineering services. Highland Gold Mining Limited was incorporated in 2002 and is headquartered in Saint Helier, Jersey. As of 19 November 2020, Highland Gold Mining Limited operates as a subsidiary of Fortiana Holdings Limited. | 1 765,81 | 1 677,18 |
| **KAZ Minerals** | KAZ Minerals PLC, together with its subsidiaries, engages in mining and processing copper and other metals primarily in Kazakhstan, Russia, and Kyrgyzstan. It operates through Bozshakol, Aktogay, East Region and Bozymchak, and Mining Projects segments. The company operates the Aktogay and Bozshakol open pit copper mines in the east region and Pavlodar region of Kazakhstan; three underground mines in the east region of Kazakhstan; and the Bozymchak copper-gold mine in Kyrgyzstan. It also develops greenfield metal deposits; operates Koksay deposit in Kazakhstan, and the Baimskaya licence area in the Chukotka region of Russia; and produces and sells various by-products, such as gold, silver, molybdenum, and zinc. In addition, the company supplies and distributes heat, water, and electricity; and offers construction, project management, financing, management, sales and logistics, and repairs and maintenance services. The company was formerly known as Kazakhmys PLC and changed its name to KAZ Minerals PLC in October 2014. KAZ Minerals PLC was founded in 1930 and is based in London, the United Kingdom. | 7 336,05 | 8 227,52 |
| **Minas de Aguas Teñidas** | Minas de Aguas Teñidas engages in the exploration and mining of copper, zinc, and lead. The company offers research and exploration, processing facilities, and concentrate production. It also operates pasta tank, pasta and gunite plant, and electrical substation. The company was founded in 1995 and is based in Almonaster la Real, Spain. Minas de Aguas Teñidas operates as a subsidiary of Trafigura Pte Ltd. | 1 865,00 | 1 865,00 |

# 10.8 INVESTORS IN INDUSTRY PEERS

nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| STATE STREET GLOBAL ADVISORS | BOLIDEN | 5,7% | Boliden operates through two segments, Business Area Mines and Business Area Smelters. It explores for copper, zinc, nickel, lead, gold, silver, cobalt, tellurium, platinum, and palladium deposits. | State Street Global Advisors is a privately owned investment manager. It invests in the public equity, fixed income, and currency markets across the globe. For the equity portion of its portfolio, the firm seeks to invest in securities of all market capitalisation across diverse investment styles and approaches. |   |
| HARRIS ASSOCIATES | GLENCORE | 4,9% | Glencore produces, refines, processes, stores, transports, and markets metals and minerals. It produces and markets copper, cobalt, nickel, zinc, lead, chrome ore, ferrochrome, vanadium, alumina, aluminium, tin, and iron ore. | Harris Associates invests in the public equity and fixed income markets across the globe. The firm invests in value stocks of companies to make its equity investments. The firm was founded in 1976 and is based in Chicago, Illinois. Harris Associates operates as a subsidiary of Natixis Investment Managers. |   |
| 九州证券 JZ SECURITIES | 西藏珠峰 TIBET SUMMIT | 12,8% | Tibet Summit Resources develops non-ferrous metal mineral resources in China. The company engages in mining, dressing, and production of lead-zinc polymetallic mines. It also offers lead, zinc, and copper concentrate powder. The company is based in Shanghai, China. | JZ Securities provides securities brokerage services in China. It offers investment banking, asset management, fixed income securities, brokerage business, derivatives, credit transaction, equity investment, institutional business, and internet business solutions. The company was founded in 2002 and is based in Beijing, China. |   |

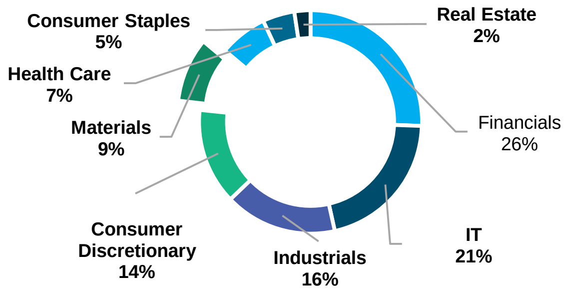
Source: Capital IQ

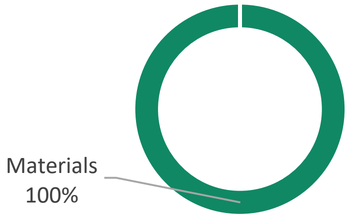
# 10.8 INVESTORS IN INDUSTRY PEERS

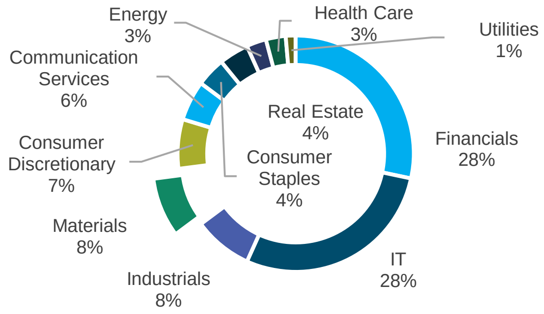
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer |
|---|---|---|---|---|
| MUFG | | 8,4% | Toho Zinc engages in the smelting and refining, mineral resources, electronic components and materials, environment and recycling, and building materials businesses in Japan. The company offers electrolytic zinc, die-casting zinc alloys, zinc powder, cadmium oxide, sulfuric acid, electrolytic lead, lead alloys, and electrolytic silver and bismuth. It also operates zinc and lead mines. | Mitsubishi UFJ Trust and Banking Corporation provides commercial banking, asset management and administration, real estate, and stock transfer agency services to individual and corporate clients in Asia, Europe, and the United States. |
| WATERTON GLOBAL RESOURCE MANAGEMENT | HUDBAY | 7,0% | Hudbay Minerals a diversified mining company, together with its subsidiaries, focuses on the discovery, production, and marketing of base and precious metals in North and South America. It produces copper concentrates containing copper, gold, and silver; silver/gold doré; molybdenum concentrates; and zinc metals. | Waterton Global Resource Management is a private equity firm specialising in buyout investments in later stage development assets. It seeks to invest in commodities and resources with a focus on precious metals and mining, gold, copper, silver, zinc, nickel, platinum group metals, commodity contract services, minerals processing businesses, and other base metal assets. |
| | NEW BOLIDEN | 5,1% | Boliden operates through two segments, Business Area Mines and Business Area Smelters. It explores for copper, zinc, nickel, lead, gold, silver, cobalt, tellurium, platinum, and palladium deposits. | Barclays provides various financial products and services in the UK, Europe, the Americas, Africa, the Middle East, and Asia. It offers financial services, such as retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services. |

Current investments financial buyer



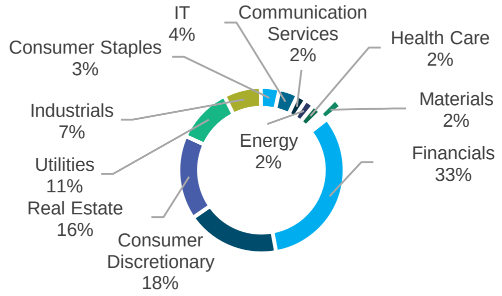
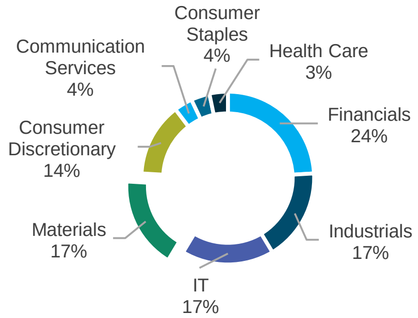




Source: Capital IQ

# 10.8 INVESTORS IN INDUSTRY PEERS

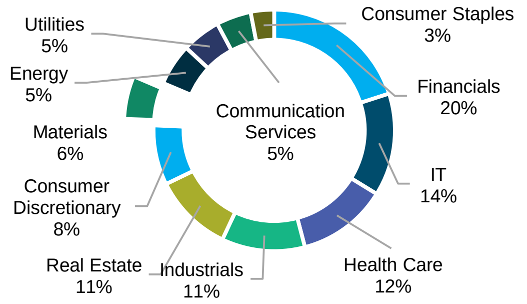
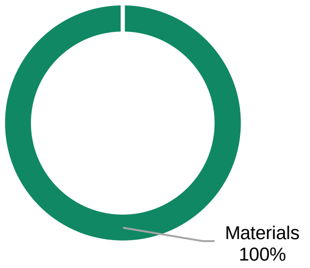
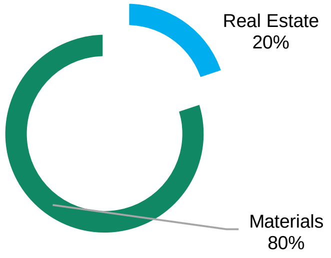
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| قطر القابضة Qatar Holding | GLENCORE | 9,2% | Glencore produces, refines, processes, stores, transports, and markets metals and minerals. It produces and markets copper, cobalt, nickel, zinc, lead, chrome ore, ferrochrome, vanadium, alumina, aluminium, tin, and iron ore. | Qatar Holding is a private equity firm specialising in strategic and direct investments in strategic private and public equity. It considers investing in mineral resources, natural resources, and infrastructure projects. It also invests in power generation, water desalination and treatment, heating and cooling systems, and fuel loading and unloading equipment. |   |
| SUMITOMO MITSUI TRUST GROUP | MITSUI KINZOKU | 6,2% | Mitsui Mining & Smelting Co., Ltd. manufactures and sells nonferrous metal products in Japan and internationally. The company operates through four segments: Engineered Materials, Metals, Automotive Parts & Components, and Affiliates Coordination. | SuMi TRUST is one of the largest asset managers in Japan, with AUM of USD 453 billion (as of 31st March 2015). Trust banks are major players in asset management industry in Japan, and SuMi TRUST is one of them. Total AUM of Sumitomo Mitsui Trust group including two dedicated asset management firms is USD 664 billion. |   |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

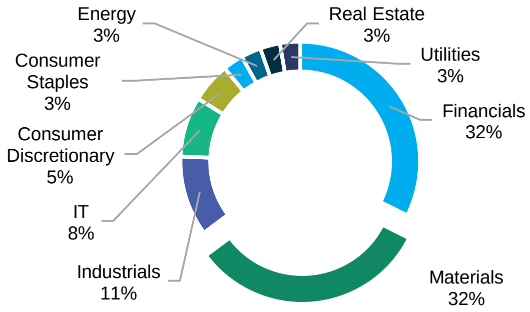
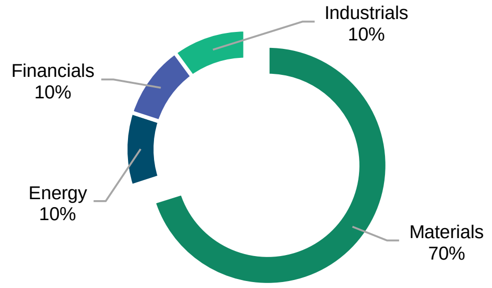
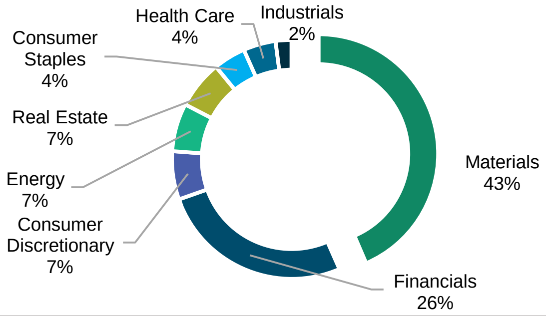
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| BlackRock | POLYMETAL INTERNATIONAL PLC | 10,1% | Polymetal International plc operates as a precious metals mining company. The company is involved in the exploration, extraction, processing, and reclamation of gold, silver, copper, zinc, and platinum group metals. | BlackRock is a publicly owned investment manager. It invests in the public equity, fixed income, real estate, currency, commodity, and alternative markets across the globe. The firm primarily invests in growth and value stocks of small-cap, mid-cap, SMID-cap, large-cap, and multi-cap companies. BlackRock has 4 current investments in diversified metal and mining: BHP Group, Boliden, Glencore and Rio Tinto. |  |
| SENTIENT EQUITY PARTNERS | TINKA Resources | 14,0% | Tinka Resources Limited, a junior mineral exploration company, engages in the acquisition and exploration of base and precious metals mineral properties in Peru. It primarily explores for zinc, lead, silver, gold, and copper deposits. | Sentient Equity Partners is an independent private equity investment firm specialising in the global resources industry. Sentient manages a diverse portfolio of mining assets in different locations at various stages. |  |
| WYLOO METALS | PANORAMIC RESOURCES LTD | 2,4% | Panoramic Resources engages in the exploration, evaluation, development, and mining of mineral deposits. The company also engages in greenfield exploration activities. The company was founded in 2001 and is based in Perth, Australia. | Wyloo Metals is a private equity firm specialising in middle market, late stage, mature, turnaround, emerging growth, PIPEs, recapitalisations and buyout investments. |  |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

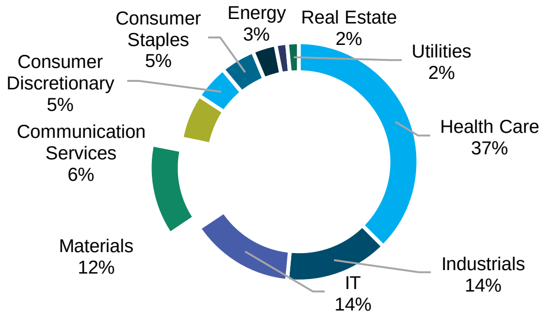
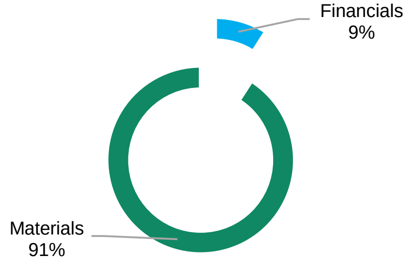
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| VanEck | AngloGold Ashanti | 5,5% | AngloGold Ashanti operates as a gold mining company in Africa, the Americas, and Australia. The company also explores for silver and sulphuric acid. AngloGold Ashanti Limited was incorporated in 1944 and is headquartered in Johannesburg, South Africa. | Van Eck Associates Corporation is a privately owned investment manager. It invests in the public equity and fixed income markets across the globe. The firm also invests in alternatives investments markets including hard assets, real estate, precious metals, and natural resources like gold to construct its portfolios. |  |
| PALA | Nevada Copper | 2,2% | Nevada Copper engages in the exploration, development, and operation of mineral properties in Nevada. The company explores for copper, iron magnetite, gold, and silver ores. Its holds 100% interests in the Pumpkin Hollow property located in Nevada, the United States. Nevada Copper was incorporated in 1999 and is based in Vancouver. | Pala Investments is a private equity firm which invests among others in the mining and natural resources sector with a focus on mining. Within the mining sector, it focuses on base metals, precious metals, coal, uranium, coal-bed methane and industrial minerals. Pala has 7 current investments in the material sector: African Thunder Platinum, Cobalt 27, Kashab Resources, Nevada Copper, Nickel 28, Ranchero Gold and Sienna Metals. |  |
| Dundee Corporation | Cantex | 4,2% | Cantex Mine Development engages in the acquisition, exploration, and development of mineral properties in Canada, Yemen, and the United States. The company explores for gold, nickel, copper, lead, zinc, manganese, cobalt, platinum, palladium, and rhodium deposits. Cantex is headquartered in Kelowna, Canada. | Dundee Corporation is a publicly owned investment manager. It holds, directly and indirectly, a portfolio of investments in both publicly listed and private enterprises. Dundee has several current investments in the metals and mining sector: Atico Mining, Copper Lake Resources, Sreso Exploration, Dundee Resources, Global Battery Metals, Hemlo Explorers, NextSource Materials, etc. |  |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

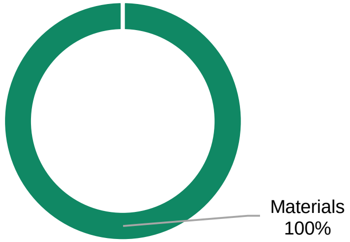
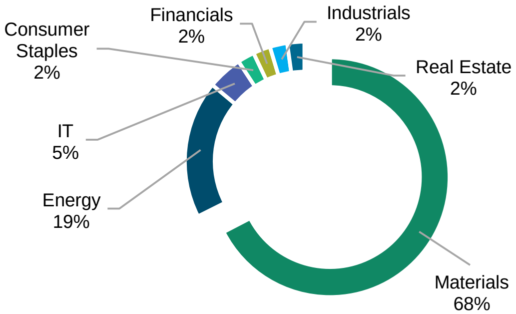
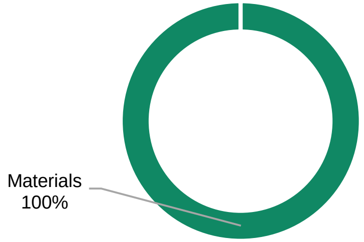
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| ZETA RESOURCES | GME RESOURCES | 5,2% | GME Resources engages in the exploration and development of mineral properties in Australia. The company explores for nickel, cobalt, and gold deposits. The company was incorporated in 1987 and is headquartered in West Perth, Australia. | Zeta Resources is an active, resources-focused investment holding and development company. Zeta invests in a range of resource entities, including those focused on bauxite, gold, copper, nickel, graphite, oil & gas and base metals exploration and production. |   |
| L1 CAPITAL | GOLDEN MINERALS COMPANY | 5,9% | Golden Minerals Company, a precious metals exploration company, mines, constructs, and explores for mineral properties containing precious metals. It explores for gold, silver, zinc, lead, and other minerals. Golden Minerals Company was founded in 1996 and is headquartered in Golden, Colorado. | L1 Capital invests in the public equity markets across the globe. The firm primarily invests in value stocks. L1 Capital Pty. Limited was formed on 2007 and is based in Melbourne, Australia. |   |
| CENTRAL ASIA METALS PLC | orion MINE FINANCE | 8,0% | Central Asia Metals is a base metals producer which produces copper, zinc and lead. The company was incorporated in 2005 and is headquartered in London, the United Kingdom. | Orion Resource Partners is a private equity firm investing in publicly traded junior mining companies in the base and precious metals sector. Other relevant investments are: Doré Copper Mining, Hardrock Mine Project, i-80 Gold, Jetti Resources, Lundin Gold, Nomand Royalty and Osisko Gold Royalties. |   |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

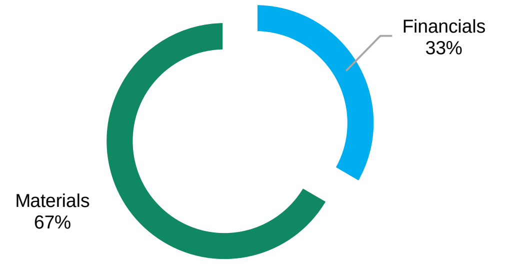
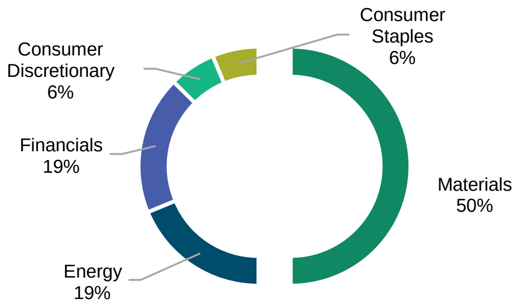
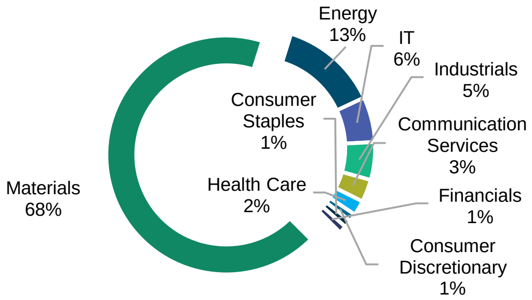
nyrstar

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| The Electrum Group | Red5 Limited | 5,7% | Red 5 engages in the exploration, production, and mining of gold deposits and mineral properties in the Philippines and Australia. Red 5 was incorporated in 1995 and is based in West Perth, Australia. | The Electrum Group LLC is a New York-based registered investment adviser. Electrum makes strategic investments principally in high-quality precious metals assets and opportunities, as well as in certain base metals, including copper, nickel and zinc. |  |
| Elysee Development Corp. | Gold Terra | 5,9% | Gold Terra Resource engages in the exploration and development of mineral properties in Canada Gold Terra Resource was incorporated in 2007 and is headquartered in Vancouver, Canada. | Elysee Development operates as an investment and venture capital firm that makes growth capital investments. The firm makes investments, with a focus on the natural resource sector. Its investment portfolio consists of equity investments in small and medium sized public companies, with a focus on precious and specialty metals. |  |
| InCoR Holdings International Commodities & Restructuring | Nevada Zinc | 11,0% | Nevada Zinc, a mineral exploration company, acquires, explores for, and develops mineral properties in the US. The company primarily explores for zinc and lead. Nevada Zinc Corporation was incorporated in 2010 and is headquartered in Toronto, Canada. | Incor Holdings is a venture capital and private equity firm specialising in investments in buyouts. It prefers to invest in incubation, mergers, acquisitions, or out of liquidations, restructurings, and investments in distressed assets/companies. The firm seeks to invest in natural resource projects with a focus on timber, mineral resource, forestry, energy, and food, agriculture, agribusiness sectors. The firm seeks to invest globally. |  |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

nyrstar

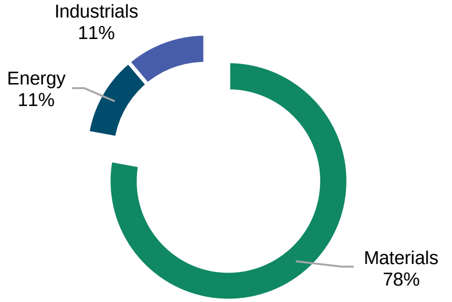
| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer | Current investments financial buyer |
|---|---|---|---|---|---|
| LIONS BAY CAPITAL INC. | Jervois | 6,1% | Jervois Global explores for and evaluates mineral properties in the US, Brazil, Finland, Australia and internationally. The company explores for cobalt, nickel, copper, and gold deposits. Jervois Global Limited was incorporated in 1962 and is based in Cremorne, Australia. | Lions Bay Capital, an investment holding company, focuses on acquiring strategic stakes in companies operating in the resource, energy, and resource related technology sectors. The company is based in Vancouver, Canada. |  |
| GUNSYND | ALBA MINERAL RESOURCES PLC | 4,6% | Alba Mineral Resources engages in the exploration and development of natural resources primarily in the UK, Ireland, Australia and Greenland. It primarily explores for gold, graphite, ilmenite, base metal, iron ore, zinc, and lead deposits. The company was incorporated in 2004 and is based in London, the UK. | Gunsynd is a private equity firm that specialises in buyout and project investments. The firm seeks to invest in natural resource and energy sector. The firm may make investments in all types of assets and there will be no investment restrictions on the type of investment that the company might make or the type of opportunity that may be considered. The firm might seek the both, minority and majority stake position in its investments. |  |
| FIREWEEDZINC | RESOURCE CAPITAL FUNDS | 13,0% | Fireweed Zinc acquires, explores for, and develops mineral properties in Canada. It explores for zinc, lead, and silver deposits. The company owns interest in the Macmillan Pass project covering an area of approximately 544 square kilometers located in Yukon, Canada. Fireweed Zinc Ltd. was incorporated in 2015 and is headquartered in Vancouver, Canada. | RCF Management is a private equity firm specialising in investments that arise due to corporate financial issues and not project related technical issues. It invests in all hard rock mineral commodities and in mining and metal companies, growth-oriented mining companies, mining industry software, enterprise software, metal and mineral mining machinery and equipment and precious metals and mineral. |  |

Source: Capital IQ

# 10.9 INVESTORS IN OTHER RELEVANT COMPANIES

| Financial buyer | Participation | Stake | Business description of participation | Business description of financial buyer |
|---|---|---|---|---|
| Taurus | NUCOAL RESOURCES LTD | 6,8% | NuCoal Resources engages in the exploration and development of coal mines in Australia. NuCoal Resources Limited was incorporated in 1993 and is based in Newcastle, Australia. | Taurus Funds Management is a privately owned investment manager. It invests in the alternative investment markets across the globe primarily commodities and private equity and early stage investments in public and private small and mid-cap mining companies in minerals and commodities sectors with a focus on metals and mining, energy, chemicals, steel, and paper sector. |

## Current investments financial buyer




Source: Capital IQ

# 10.10 SPECIAL SITUATION INVESTORS

| Financial buyer | Business description of financial buyer |
|---|---|
| Alcentra | Alcentra is a privately owned investment manager. The firm provides its services to pooled investment vehicles. It manages separate client focused portfolios. The firm invests in the fixed income markets. For its fixed income investments, the firm invests in leveraged loans, European mezzanine loans, and high-yield bonds. The special situations strategy investment of Alcentra aims to generate attractive risk adjusted returns by investing in stressed, distressed and new money financing opportunities, primarily in Northern and Western Europe. Alcentra was founded in March 2002 and is based in London, United Kingdom. It operates as a subsidiary of Alcentra Asset Management. |
| MONARCH ALTERNATIVE CAPITAL | Monarch Alternative Capital is a privately owned hedge fund sponsor. The firm primarily invest in pooled investment vehicles and in debt of bankrupt and distresses companies. The firm employs fundamental analysis with bottom-up stock picking approach and research driven approach to make its investments. The special situation strategy investment of Monarch is based on the following criteria: non real estate hard assets or loans back by hard assets, purchase of assets or companies from bankruptcy estates, life settlements, post-restructuring equity and other special situations. The firm was formerly known as Quadrangle Debt Recovery Advisors. Monarch Alternative Capital was founded in 2002 and is based in New York City with an additional office in London, United Kingdom. |
| CRESCENT | Crescent's Special Situations strategy primarily focuses on investing in the distressed debt of middle market companies, typically taking a leadership role in the restructuring process and beyond. They seek to invest at or above the fulcrum debt tranche of under-followed companies with quality assets and strong competitive positions. The strategy aims to make investments that derive current income from debt obligations coupled with potential upside from taking post-reorganisation equity stakes. The investment process involves detailed bottom-up and top-down analyses combined with credit judgment and valuation discipline which they believe supports consistency of returns. Crescent Special Situations may also provide primary debt capital in select situations to companies positioned to execute a turnaround. |
| FIERACAPITAL | Stressed credit and special situation investments are comprised of: credit investments which are expected to go through or are already in the process of a debt restructuring; equity control investments in special situations; and portfolios of stressed assets. Fiera Capital (Asia) generally seeks to create value by leading financial restructurings, often gaining a position of significant influence in companies with sound underlying business fundamentals that have been adversely affected by movements in their industries, or that have balance sheet issues such as excess leverage. Fiera Capital (Asia) selectively uses equity control investments as a way to own hard assets and believes that its ability to invest across the capital structure is an important advantage in exploiting opportunities. |
| AG ANGELO GORDON | Distressed & Corporate Special Situations investing has been a core Angelo Gordon investment strategy since the firm's inception. The strategy is executed by highly experienced distressed investing teams in the U.S and Europe who seek to deploy capital in all market environments by accessing and exploiting opportunities characterised by price and knowledge inefficiencies. The approach is a highly active one in that they invest in the securities of companies faced with liquidity, maturity or bankruptcy risk and use our process, trading, legal and credit expertise to navigate situational complexity. In all cases, this approach is underpinned by deep fundamental analysis and a focus on downside protection, consistent with Angelo Gordon's investment principles. |