

Nyrstar

Unaudited Interim Condensed Consolidated  
Financial Statements

30 June 2019

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

EUR million	Note	six months ended 30 Jun 2019	six months ended 30 Jun 2018*
<b>Continuing operations</b>			
<b>Revenue</b>	4	-	-
Raw materials used		-	-
Freight expense		-	-
<b>Gross profit</b>		-	-
Other income		-	-
Employee benefits expense		(0.3)	(0.3)
Energy expenses		-	-
Stores and consumables used		-	-
Contracting and consulting expense		(2.9)	(1.0)
Other expense		(0.8)	(0.8)
Depreciation, amortisation and depletion		-	-
Merger and acquisition related expense		-	-
Restructuring expense		-	-
Loss on the disposal of subsidiaries		-	-
<b>Result from operating activities</b>		<b>(4.0)</b>	<b>(2.1)</b>
Finance income		-	-
Finance expense		(0.3)	(2.1)
Net foreign exchange loss		-	-
<b>Net finance expense</b>		<b>(0.3)</b>	<b>(2.1)</b>
<b>Loss before income tax</b>		<b>(4.3)</b>	<b>(4.2)</b>
Income tax benefit	6	-	-
<b>Loss for the period from continuing operations</b>		<b>(4.3)</b>	<b>(4.2)</b>
<b>Discontinued operations</b>			
Loss from discontinued operations, net of income taxes	5	(203.0)	(45.2)
<b>Loss for the period</b>		<b>(207.3)</b>	<b>(49.4)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(207.3)	(49.4)
Loss per share for profit attributable to the continuing operations of the Company during the period (expressed in EUR per share)			
basic	13	(0.04)	(0.04)
diluted	13	(0.04)	(0.04)

\* Prior year amounts have been re-presented for the impact of the discontinued operation, see Note 5

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR million	Note	six months ended 30 Jun 2019	six months ended 30 Jun 2018*
<b>Loss for the period</b>		<b>(207.3)</b>	<b>(49.4)</b>
<b>Other comprehensive income</b>			
<i><b>Continuing operations</b></i>			
<b>Items that may be reclassified to profit or loss:</b>			
Foreign currency translation differences		-	-
Transfers to the income statement		-	-
Gains on cash flow hedges		-	-
Less: transfers to the income statement		-	-
Income tax benefit		-	-
Change in fair value of investments in equity securities		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<i><b>Discontinued operations</b></i>			
<b>Items that may be reclassified to profit or loss:</b>			
Foreign currency translation differences		(3.7)	(22.7)
Transfers to the income statement		-	-
Losses on cash flow hedges		(21.4)	(7.8)
Less: transfers to the income statement		(18.1)	(9.8)
Income tax benefit		14.6	5.7
Change in fair value of investments in equity securities		0.4	0.3
<b>Other comprehensive loss for the period, net of tax</b>		<b>(28.2)</b>	<b>(34.3)</b>
<b>Other comprehensive loss for the period, net of tax</b>		<b>(28.2)</b>	<b>(34.3)</b>
<b>Total comprehensive loss for the period</b>		<b>(235.5)</b>	<b>(83.7)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(235.5)	(83.7)
<b>Total comprehensive loss for the period</b>		<b>(235.5)</b>	<b>(83.7)</b>

\* Prior year amounts have been re-presented for the impact of the discontinued operation, see Note 5

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>EUR million</b>	<b>Note</b>	<b>as at 30 Jun 2019</b>	<b>as at 31 Dec 2018</b>
Property, plant and equipment	7	0.2	1,590.0
Intangible assets		-	5.3
Investments in equity accounted investees		-	1.9
Investments in equity securities		-	19.8
Deferred income tax assets		-	93.7
Other financial assets	9	-	131.8
Other assets		-	0.6
<b>Total non-current assets</b>		<b>0.2</b>	<b>1,843.1</b>
Inventories		-	768.5
Trade and other receivables		0.9	196.7
Prepayments		0.2	17.1
Current income tax assets		-	11.7
Other financial assets	9	1.5	60.8
Other assets		0.4	2.1
Cash and cash equivalents		7.3	239.0
Disposal group held for sale	5	3,098.6	-
<b>Total current assets</b>		<b>3,108.9</b>	<b>1,295.9</b>
<b>Total assets</b>		<b>3,109.1</b>	<b>3,139.0</b>
Share capital and share premium		2,255.2	2,255.3
Reserves	15	(199.7)	(171.6)
Accumulated losses		(2,472.0)	(2,265.8)
<b>Total equity attributable to equity holders of the parent</b>		<b>(416.5)</b>	<b>(182.1)</b>
<b>Total equity</b>		<b>(416.5)</b>	<b>(182.1)</b>
Loans and borrowings	8	-	780.5
Lease liabilities		0.1	-
Deferred income tax liabilities		-	68.4
Provisions		-	158.2
Employee benefits		-	66.0
Other financial liabilities		-	117.1
Deferred income	10	-	17.5
<b>Total non-current liabilities</b>		<b>0.1</b>	<b>1,207.7</b>
Trade and other payables		7.5	457.3
Current income tax liabilities		-	0.9
Loans and borrowings	8	-	1,101.9
Lease liabilities		0.1	-
Provisions		-	34.5
Employee benefits		0.4	28.9
Other financial liabilities		-	84.5
Deferred income	10	-	404.3
Other liabilities		-	1.1
Liabilities related to the disposal group held for sale	5	3,517.5	-
<b>Total current liabilities</b>		<b>3,525.5</b>	<b>2,113.4</b>
<b>Total liabilities</b>		<b>3,525.6</b>	<b>3,321.1</b>
<b>Total equity and liabilities</b>		<b>3,109.1</b>	<b>3,139.0</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR million	Note	Share capital	Share premium	Perpetual securities	Reserves	Accumulated losses	Total amount attributable to shareholders	Total equity
<b>As at 1 Jan 2019</b>		<b>1,041.1</b>	<b>1,214.2</b>	-	(171.6)	(2,265.8)	(182.1)	(182.1)
Loss for the period		-	-	-	-	(207.3)	(207.3)	(207.3)
Other comprehensive loss		-	-	-	(28.2)	-	(28.2)	(28.2)
Total comprehensive loss		-	-	-	(28.2)	(207.3)	(235.5)	(235.5)
Share-based payments		-	-	-	-	1.1	1.1	1.1
<b>As at 30 Jun 2019</b>		<b>1,041.1</b>	<b>1,214.2</b>	-	(199.8)	(2,472.0)	(416.5)	(416.5)

EUR million	Note	Share capital	Share premium	Perpetual securities	Reserves	Accumulated losses	Total amount attributable to shareholders	Total equity
<b>As at 1 Jan 2018</b>		<b>1,040.2</b>	<b>1,210.5</b>	<b>186.3</b>	(161.3)	(1,615.9)	659.8	659.8
Loss for the period		-	-	-	-	(49.4)	(49.4)	(49.4)
Other comprehensive income		-	-	-	(34.3)	-	(34.3)	(34.3)
Total comprehensive loss		-	-	-	(34.3)	(49.4)	(83.7)	(83.7)
Adjustment on initial application of IFRS 9		-	-	-	-	(0.2)	(0.2)	(0.2)
Capital increase	11	0.9	3.7	-	-	-	4.6	4.6
Distribution on perpetual securities		-	-	-	-	(5.0)	(5.0)	(5.0)
Share-based payments		-	-	-	-	6.1	6.1	6.1
<b>As at 30 Jun 2018</b>		<b>1,041.1</b>	<b>1,214.2</b>	<b>186.3</b>	(195.6)	(1,664.4)	581.6	581.6

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## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	six months ended 30 Jun 2019	six months ended 30 Jun 2018
Loss for the year		(207.3)	(49.4)
<b>Adjustment for:</b>			
Depreciation, amortisation and depletion		66.5	74.9
Income tax expense / (benefit)		6.8	(1.1)
Net finance expense		99.2	75.8
Equity settled share based payment transactions		1.0	3.3
Non-cash repayment of zinc prepayment		-	(24.7)
Other non-monetary items		(7.6)	(2.1)
Gain on sale of property, plant and equipment		(2.9)	(2.7)
Income tax received /(paid)		3.8	(5.8)
<b>Cash flow from operating activities before working capital changes</b>		<b>(40.5)</b>	<b>68.2</b>
Change in inventories		(27.5)	67.7
Change in trade and other receivables		61.6	23.9
Change in prepayments		(8.2)	(1.2)
Change in deferred income		(90.5)	(75.8)
Change in trade and other payables		26.9	58.3
Change in other assets and liabilities		(32.6)	(76.2)
Change in provisions and employee benefits		(3.1)	5.3
<b>Cash flow from operating activities</b>		<b>(113.9)</b>	<b>70.2</b>
Acquisition of property, plant and equipment	7	(58.0)	(134.9)
Acquisition of intangible assets		(0.7)	(0.1)
Proceeds from sale of property, plant and equipment		4.4	2.9
Proceeds from / (payment in relation to) sale of subsidiary		-	5.6
Interest received		1.0	1.1
<b>Cash flow used in investing activities</b>		<b>(53.3)</b>	<b>(125.4)</b>
Capital increase		-	-
Proceeds from borrowings		173.7	-
Repayment of borrowings		(19.8)	(16.1)
Change in SCTF credit facility		1.3	107.4
Proceeds from zinc prepayment		-	50.3
Distribution on perpetual securities		-	(5.0)
Interest paid		(65.7)	(72.8)
<b>Cash flow from financing activities</b>		<b>74.1</b>	<b>63.8</b>
<b>Net (decrease) / increase in cash held</b>		<b>(93.1)</b>	<b>8.6</b>
Cash at beginning of the reporting period		239.0	68.4
Exchange fluctuations		2.2	1.2
<b>Cash at end of the reporting period*</b>		<b>148.1</b>	<b>78.2</b>

\* Includes cash and cash equivalents included in disposal group held for sale

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

## 1. GENERAL INFORMATION

As at 30 June 2019 Nyrstar NV, (the “Company”) was an integrated mining and metals business, with market leading positions in zinc and lead, and significant positions in other base and precious metals. Nyrstar had mining, smelting, and other operations located in Europe, Australia, Canada and in the United States. Nyrstar is incorporated and domiciled in Belgium and had its corporate office in Switzerland. The address of the Company’s registered office is Zinkstraat 1, 2490 Balen, Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website, [www.nyrstar.be](http://www.nyrstar.be). For further information on the restructuring that was completed on 31 July 2019, see note 5.

The interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2019 are available upon request from the Company’s registered office at Zinkstraat 1, 2490 Balen, Belgium or at [www.nyrstar.be](http://www.nyrstar.be). The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2019 have not been subject to a limited review by the Company’s statutory auditor. The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities. For further information on the restructuring that was completed on 31 July 2019, see note 5.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors of Nyrstar NV on 6 December 2019.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for full annual financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 (available at [www.nyrstar.be](http://www.nyrstar.be)).

The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited interim condensed consolidated financial statements.

### (b) Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2018. Adoption of the following new and revised standards and interpretations effective as of 1 January 2019

At 1 January 2019 the group has adopted IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments. A number of other amendments and annual improvements become effective from 1 January 2019, including the amendments to IAS 28: Long-term interests in Associates and Joint Ventures and IAS 19: Plan Amendment, Curtailment or Settlement, but they do not have a material effect on the Group’s financial statements.

#### *IFRS 16: Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g. personal

computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and will distinguish between two types of leases: operating and finance leases.

IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group has applied IFRS 16 on 1 January 2019, using a modified retrospective approach. There has been no cumulative effect of adopting IFRS 16 that would have been recognized as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group has therefore not applied the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Group has elected to use the exemptions proposed by the standard on short term lease contracts and lease contracts for which the underlying asset is of low value, less than EUR 5,000 or equivalent. The Group has also applied the practical expedient that offers not to separate lease and non-lease components and instead accounts for both as if they were one lease component.

The adoption of IFRS 16 as of 1 January 2019 resulted to the recognition of a right-of-use asset and lease liability of EUR 101.8 million. The right-of-use asset and lease liability are a part of the assets and liabilities classified as held for sale.

Due to the adoption of IFRS 16, the Group's operating profit has improved, while the interest expense has increased. This is due to the change in the accounting for expenses of leases that were classified as operating leases under IAS 17. In the six months ended 30 June 2019 the depreciation of the leased assets amounted to EUR 19.1 million and the interest expense in the same period was EUR 3.3 million.

#### *IFRIC 23: Uncertainty over Income Tax Treatments*

In 2017, the International Accounting Standards Board (IASB) has published IFRIC 23 "Uncertainty over Income Tax Treatments" developed by the IFRS Interpretations Committee to clarify the accounting treatment of uncertainties in income taxes. The interpretation is applicable to annual reporting periods beginning on or after 1 January 2019. The Group operates globally which results in an increased complexity and uncertainty potentially resulting in the uncertain tax treatments of current and deferred taxes. On the adoption of IFRIC 23 the Group has assessed its tax exposure based on the assumption that the tax authorities may not accept the Group's proposed treatment of tax positions. The adoption of IFRIC 23 had no material impact on the Group.

The Group has not early adopted any other amendment, standard, or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.



### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### (a) Going concern

The preparation of the Group's interim unaudited consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

##### Ability of the Group to continue operate on a going concern basis (refer to note 2(a) Statement of Compliance)

In October 2018 the Group initiated a review of its capital structure in response to the challenging financial and operating conditions being faced by the Group. As at 30 June 2019, the Company was the ultimate holding entity of the Group. However, upon completion of the restructuring of the Nyrstar Group ("Restructuring") on 31 July 2019, the Company ceased its control over the operating entities that it controlled as at 30 June 2019 and the Group ceased trading in the form it traded in as at 30 June 2019 (refer to note 5 for a detailed description of the Restructuring). While the Company has ceased trading as a controlling holding company of the Operating Group (as defined below in note 5), it is continuing to trade as an investment company, holding 2% of the equity in the Operating Group for the benefit of Nyrstar NV shareholders. The liquidity of the Company is supported by funding and other ongoing support arrangements with NN2 NewCo Limited (as defined below in note 5) which is the present controlling holding company of the Operating Group. These arrangements provide the Company with, among other things, a EUR 8.5 million committed limited recourse loan facility ("the Limited Recourse Loan Facility") that the Company can use on its terms to finance its ongoing operating activities. The original arrangements obliging Trafigura and NN2 NewCo Limited to provide certain funding and support were entered into on 19 June 2019. The Limited Recourse Loan Facility between the Company and NN2 NewCo Limited was subsequently entered into on 23 July 2019. Certain of these agreements only became fully effective on completion of the Restructuring on 31 July 2019. As a consequence of the Restructuring, the interim condensed consolidated financial statements of the Group for the half-year ended 30 June 2019 have been prepared on a basis that the Group has ceased to trade in the form it existed as at 30 June 2019 and is therefore other than that of a going concern.

Following the completion of the Restructuring on 31 July 2019, the Operating Group has liquidity provided by the post-restructuring facilities and by Trafigura. The liquidity of the Company is supported by the EUR 8.5 million committed Limited Recourse Loan Facility for the Company's ongoing ordinary course operating activities (such facility has an additional separate EUR 5 million tranche for litigation defence costs (if any)). As of the date of this report, the Company has drawn EUR 3.0 million from the EUR 8.5 million committed Limited Recourse Loan Facility.

The conclusion of the directors that the Group's interim condensed consolidated financial statements for the half-year ended 30 June 2019 are prepared on a basis other than that of a going concern has not altered the accounting policies as described in note 3 "Significant accounting policies" of the 31 December 2018 consolidated financial statements but has resulted in significant judgements being made by management in their application, including:

- The recoverable amount of assets and cash-generating units corresponds to their fair value less costs of disposal
- The operating entities of the Group are presented as discontinued operation and as disposal groups held for sale as the conditions for such a classification were met during the half-year ended 30 June 2019;
- The measurement basis of financial liabilities at amortised cost remains unchanged despite the fair values being lower at 30 June 2019; and
- The loans and borrowings (note 5) as well as the zinc prepayments (note 5) recognised as other financial liabilities have been presented based on the contractual due dates at 30 June 2019, even though the Restructuring has resulted in a full or partial extinguishment of these liabilities of the Group.

Classification of assets and liabilities as held for sale and discontinued operations (note 5)

The Group applies the requirements of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The non-current assets and liabilities included in disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for immediate disposal and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs of disposal. The classification of the assets and liabilities as held for sale requires judgement, in particular in relation to the assessment whether the sale of the assets can be considered as “highly probable”. The Company has determined that the Operating Group met the definition of the discontinued operation and the asset and liability held for sale at 29 April 2019. At that date Nyrstar announced that formal consents to the Lock-Up Agreement (note 5) had been received from, inter alia, over 79% of the aggregate outstanding principal amount under the senior notes due in 2019 and due in 2024, and over 87% of the aggregate outstanding principal amount under the convertible bonds. Under the Lock-Up Agreement, implementation of the Recapitalisation Terms was subject to various conditions precedent which included various third party regulatory approvals which were all successfully obtained. As such, at 30 June 2019 the Company has classified the Operating Group as a discontinued operation and as assets and liabilities held for sale.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been described in the 31 December 2018 financial statements. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**4. SEGMENT REPORTING**

The continued operation of the Group consists the activity of a holding company and as such, no segment information is provided any governing body of the Company. All previously reported segment results are a part of the discontinued operation.

**5. DISCONTINUED OPERATIONS****Restructuring of the Nyrstar Group****Introduction**

The Group initiated a review of its capital structure (the “Capital Structure Review”) in October 2018 in response to the challenging financial and operating conditions being faced by the Group. In November 2018, the Group experienced increased working capital requirements as its liquidity position suddenly and unexpectedly deteriorated following the third quarter 2018 results announcement, negative press coverage and credit rating downgrade. In particular, a significant portion of the Group’s trade financing arrangements were suspended or terminated, or required to be cash collateralised, either partly or fully. These substantial working capital and liquidity outflows experienced by the Group during the fourth quarter of 2018 and first quarter of 2019 necessitating the raising of urgent funding to enable the Company and the Group to continue its operations. Combined with the Group’s materially reduced Underlying EBITDA performance in 2018 and the maturing of certain liabilities during 2019, these factors resulted in the need to reconsider the Group’s capital structure.

The Capital Structure Review identified a very substantial additional funding requirement that the Group was unable to meet without a material reduction of the Group’s indebtedness. As a consequence, the Capital Structure Review necessitated negotiations between the Group’s financial creditors in order to develop a deleveraging and funding plan as part of a comprehensive balance sheet recapitalisation. Alternatives to such a recapitalisation were carefully considered but no alternative to address the financial issues was viable and failure to address these financial issues would have placed the future of the Company, its subsidiaries and its stakeholders at severe risk. Accordingly, on 15 April 2019, Nyrstar announced

that it had entered into a lock-up agreement dated 14 April 2019 (the “Lock-Up Agreement”) with representatives of its key financial creditor groups. The Lock-Up Agreement set out the terms for the recapitalisation of the Group (the “Recapitalisation Terms”). Subsequently, on 29 April 2019, Nyrstar announced that formal consents to the Lock-Up Agreement had been received from, inter alia, over 79% of the aggregate outstanding principal amount under the senior notes due in 2019 and due in 2024, and over 87% of the aggregate outstanding principal amount under the convertible bonds. Under the Lock-Up Agreement, implementation of the Recapitalisation Terms was subject to various conditions precedent which included various third party regulatory approvals which were all successfully obtained.

The Recapitalisation Terms included, amongst a number of other steps, a sale of all of the subsidiaries of Nyrstar NV (excluding a newly incorporated English holding company of NewCo (as defined below) (“Operating Group”) at a nominal amount of USD 1 taking into account the fair market value of the assets (as adjusted by liabilities within the Operating Group) at the time of the sale (i.e. pre-restructuring) to a newly incorporated English subsidiary of the Company (“NewCo”) and one or more schemes of arrangement under the UK Companies Act 2006. Upon implementation of the Recapitalisation Terms, Trafigura Group Pte. Ltd. (together with its affiliates, “Trafigura”) was issued 98% of the outstanding share capital of NewCo and as a result has become the owner of 98% of the equity of the Operating Group with Nyrstar NV owning the balance of 2%. As a result of the recapitalisation, Trafigura Group Pte. Ltd. has become the ultimate parent of the Operating Group.

On 14 June 2019, NewCo was incorporated in England under the name of NN2 Newco Limited. On 20 June 2019, the Company announced that various steps to implement the Restructuring had been and were being undertaken, including that NewCo had acceded to the Notes (as defined below) and that NewCo had published a practice statement letter in relation to a scheme of arrangement to be proposed by NewCo in respect of the Notes. The English court held the convening hearing on 4 July and ordered the NewCo scheme meetings to be held on 22 July (or such later time or date as NewCo may have decided). The NewCo scheme meetings were held on 22 July. There were two creditor classes for the NewCo scheme – the convertible bonds in one class, and the senior notes due in 2024 and the senior notes due in 2019 combined into a single second creditor class. For the first scheme creditor class (the convertible bonds), 98.87% by value voted and 100% by value and 100% by number of those voting supported the scheme. For the second scheme creditor class (the senior notes due in 2024 and the senior notes due in 2019), 95.57% by value voted and 99.96% by value and 98.93% by number of those voting supported the scheme. Accordingly, the NewCo scheme was supported by an overwhelming majority of the scheme creditors and well in excess of the requisite majorities (being 75% by value and a majority by number of those creditors voting in each scheme class).

The English court sanction hearing for the NewCo scheme of arrangement was held on 26 July 2019 when the sanction order was granted. The scheme of arrangement became effective on the same day. On 29 July, a meeting of holders of the convertible bonds was held and a resolution was passed to approve the NewCo scheme (98% by value of those entitled to vote did so and 100% of those voting approved the resolution scheme). On 30 July, the United States Bankruptcy Court Southern District of New York entered an order under Chapter 15 of title 11 of the United States Bankruptcy Code granting recognition of main proceedings and related relief giving full force to the UK scheme of arrangement of NewCo in the United States.

The Restructuring subsequently took full effect on 31 July 2019.

Implementation of the Recapitalisation Terms has ensured the continuing operations of the Operating Group for the benefit of all stakeholders; failure to implement the Recapitalisation Terms would have highly likely lead to the insolvency of the Group as well as the Company, which was anticipated to have resulted in material harm to the Group’s customers, suppliers and approximately 4,100 employees of the Group, as well as very substantial loss of value to the financial stakeholders, and a total loss to shareholders.

**Support for the Lock-Up Agreement**

The Lock-Up Agreement was initially entered into by the Group (and relevant subsidiaries) with representative lenders across each of its key financial creditor groups, who were closely involved in the discussions on the proposed terms of the recapitalisation. Subsequently, many other creditors acceded to the Lock-Up Agreement.

By late July 2019, the Lock-Up Agreement had been signed by noteholders representing slightly over 94% in aggregate by value of the Group's EUR 500 million 6.875% senior notes due in 2024, EUR 340 million 8.5% senior notes due in 2019 and EUR 115 million convertible bonds due in 2022 (together "the Notes" and holders of the Notes being "the Noteholders").

The Lock-Up Agreement was negotiated and agreed in full cooperation with the coordinating committee of the Group's bank lenders (the "Bank Coordinating Committee") representing the following Group facilities entered into by the Company's affiliate, Nyrstar Sales & Marketing AG ("NSM") (the "Bank Facilities"):

- The EUR 600m revolving structured commodity trade finance facility agreement originally dated as of 28 January 2010 between, among others, NSM and Deutsche Bank AG, Amsterdam Branch as Facility Agent and Security Agent (the "SCTF");
- Certain unsecured bank facilities (together the "Unsecured Facilities"), with an aggregate principal amount outstanding at the relevant time of around EUR 238m comprising:
  - the Prepayment Agreement dated 24 April 2018 with Politus B.V. as buyer (the "Politus Prepayment");
  - the Common Terms Agreement dated 5 September 2014 with Hydra Limited (the "Hydra Prepayment"); and
  - certain unsecured bilateral prepayment and working capital facilities (together the "Bilateral Facilities").

The Bank Coordinating Committee provided their formal approvals by entering into the Lock-Up Agreement in parallel with the Noteholder approval process.

The Lock-Up Agreement was also fully supported by Trafigura including in its capacity as lender under the USD 650 million Trade Finance Facility Agreement dated 6 December 2018 (as amended) (the "TFFA") provided to NSM, as well as in its capacity as bridge finance provider to NSM (see below) and as future majority owner of the Operating Group in accordance with the Recapitalisation Terms.

**Operation of the Lock-Up Agreement, Standstill and Implementation of the Recapitalisation Terms**

The Lock-Up Agreement obliged, subject to its terms and certain conditions, each of the parties to it to take such action and/or provide such approvals as were required to implement the Recapitalisation Terms.

The Lock-Up Agreement provided that obligations of the parties under the Lock-Up Agreement would automatically terminate on, inter alia, the earliest of:

- Implementation of the Recapitalisation Terms; and
- The Restructuring Long Stop Date of 30 August 2019, which could be extended to 30 September 2019 with the consent of Nyrstar, Trafigura, the Bank Coordinating Committee and a representative group of Noteholders.

The Lock-Up Agreement required the parties to proceed expeditiously with the steps required to implement the Recapitalisation Terms. During the period in which the Lock-Up Agreement was in effect, from the time of entry into it the parties agreed to the suspension and deferral of certain amounts otherwise falling due under the Group's debt facilities.

These amounts included any principal or interest payment under the Notes and the Unsecured Facilities, including any accrued coupons or interest.

The Recapitalisation Terms are summarised below.

### **USD250 million Bridge Finance Facility in conjunction with the Lock-Up Agreement**

In conjunction with entering into the Lock-Up Agreement, Trafigura provided up to USD 250 million through a committed term loan facility to NSM (the “Bridge Finance Facility”) to strengthen the Group’s liquidity position and provide for its interim funding requirements prior to completion of the implementation of the Recapitalisation Terms. Under the Lock-Up Agreement, entry into the Bridge Finance Facility and subsequent funding were subject to certain conditions.

The Bridge Finance Facility benefitted from certain asset and share security and had a final maturity date of 30 August 2019 (unless extended by the agreement of all the parties to the Bridge Finance Facility) and an interest rate of LIBOR plus a margin of 5% per annum. The Bridge Finance Facility’s asset and share security included guarantees from Nyrstar NV, NSM and the Group’s US, Canadian and Belgian principal operating companies, a pledge of the shares of NewCo and share pledges of and asset security over the Group’s US, Canadian and Belgian principal operating companies.

The necessary Noteholder consents were sought from, and committed to by, consenting Noteholders under the Lock-Up Agreement in order to permit the incurrence of, and security interests attaching to, the Bridge Finance Facility. All these consents were successfully obtained from the Noteholders, as announced on 18 April 2019, and all the conditions precedent in the Bridge Finance Facility were satisfied.

### **Principal Recapitalisation Terms – Trafigura**

The principal Recapitalisation Terms relating to Trafigura’s ownership of the Operating Group, its obligations under existing arrangements with the Group and under new arrangements with the Group’s stakeholders, were as follows:

- Trafigura to become the owner of 98% of the shares of the Operating Group by a share issuance by NewCo;
- The provision by Trafigura of a guarantee in respect of the reinstated Bank Facilities on the terms and in the amounts described below;
- Issuance by Trafigura of the securities in the amounts described below (see “Principal Recapitalisation Terms – Notes”) to Noteholders in consideration for the discharge of the Notes;
- Funding by Trafigura of the USD 250 million Bridge Finance Facility (with all security and guarantees released on completion of the Restructuring);
- Reinstatement by Trafigura of the USD 650 million TFFA (with all security and guarantees released on completion of the Restructuring);
- Providing by Trafigura of the ongoing funding requirements for the Operating Group; and
- 2% equity participation in the Operating Group to be retained by the Company.

## **Principal Recapitalisation Terms – Bank Facilities**

### **SCTF (as defined above)**

- The SCTF was reinstated in the amounts set out as follows (the “Reinstated SCTF”):
  - 100% of the principal amount outstanding at the time of reinstatement for those lenders participating in their pro rata share of up to EUR 100 million of the New Revolving Facility (see below);
  - 85% of the principal amount outstanding at the time of reinstatement for those lenders not participating in their pro rata share of the New Revolving Facility; and
  - All the SCTF lenders committed to participate in the EUR 100 million of the New Revolving Facility, so the Reinstated SCTF was 100% of the principal amount outstanding at the time of reinstatement,
- The Reinstated SCTF is divided equally between a revolving borrowing base facility and a term loan facility with a bullet maturity and benefitting from comprehensive asset security over the European subsidiaries of the Operating Group and a corporate guarantee by Trafigura, in addition to the existing borrowing base security over certain inventories and receivables of the Operating Group; and
- The Reinstated SCTF has a 5 year maturity and an interest margin of LIBOR/EURIBOR + 1% per annum.

### **Unsecured Facilities**

- The Politus Prepayment, the Hydra Prepayment and the Bilateral Facilities have been amended and reinstated in the aggregate amounts set out as follows (the “Reinstated Unsecured Facilities”) (the exact allocation per facility varies according to the agreement which was reached in relation to those facilities as detailed in the Lock-up Agreement):
  - 47.5% on a blended basis of the principal amount outstanding for those lenders participating in their pro rata share of up to EUR 60 million of the New Revolving Facility;
  - 35% on a blended basis of the principal amount outstanding for those lenders not participating in their pro rata share of the New Revolving Facility; and
  - Lenders under the Unsecured Facilities committed to take up all of the above EUR 60 million of the New Revolving Facility and, therefore, the Reinstated Unsecured Facilities were reinstated to EUR 100 million in aggregate,
- The Reinstated Unsecured Facilities have a 5 year maturity and an interest margin of LIBOR + 1.5% per annum; and
- The Reinstated Unsecured Facilities benefit from a corporate guarantee by Trafigura.

### **New Revolving Facility following the completion of the Restructuring**

- EUR 160 million new revolving credit facility (the “New Revolving Facility”) provided by lenders under the SCTF and Unsecured Facilities in the proportions described above;
- The New Revolving Facility has a 4 year maturity and an interest margin of LIBOR/EURIBOR + 1.25% per annum; and

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- The New Revolving Facility shares the same security and guarantee package as the Reinstated SCTF except for having second ranking security over the inventory and receivables securing the borrowing base which, following the discharge of the borrowing base tranche of the Reinstated SCTF, ranks pari passu with the security for the term loan tranche of the Reinstated SCTF.

**Principal Recapitalisation Terms – Notes**

The Notes issued by Trafigura to the Noteholders were treated equally with one another, with each Noteholder having been issued its pro-rata share of the consideration set out below:

- EUR 262.5 million Perpetual Resettable Step-up Subordinated Securities issued by Trafigura Group Pte Ltd:
  - Maturity: no fixed maturity date;
  - Interest: 7.5% per annum with step up margin of 3% applied after 5 years; and
  - Other terms and conditions based on Trafigura's perpetual securities issued under an offering memorandum dated 15 March 2017,
- EUR 80.6 million (USD equivalent) Guaranteed Senior Notes issued by Trafigura Funding S.A. under the EUR 3 billion Euro Medium Term Note Programme (and consolidated with the USD400 million notes issued on 19 March 2018):
  - Maturity: 19 March 2023;
  - Interest: 5.250% per annum; and
  - Guaranteed by Trafigura Group Pte. Ltd., Trafigura Trading LLC and Trafigura Pte Ltd,
- EUR 225 million (USD equivalent) Guaranteed Zero Coupon Commodity Price Linked instrument issued by a new subsidiary of Trafigura:
  - Maturity: 7 years following the Issue Date;
  - Early Repayment: quarterly calculated by reference to 5% of 250,000 tonnes multiplied by the excess of the average zinc price during that quarter over USD2,500/t up to a cap of USD2,900/t plus 10% of 250,000 tonnes multiplied by the excess of the average zinc price during the quarter over USD2,900/t; and
  - All payments guaranteed by Trafigura Group Pte. Ltd., Trafigura Trading LLC and Trafigura Pte Ltd,
- In addition, any Noteholder who had acceded to the Lock-Up Agreement on or before 11.59pm (London time) on 7 May 2019 (and subject to certain other requirements) received a cash settled fee of 150bps of the principal amount of its Notes on implementation of the Recapitalisation Terms. Ultimately the holders of slightly over 93% of the Notes were paid this fee.

**Principal Recapitalisation Terms – TFFA**

Under the Recapitalisation Terms, all security and guarantors supporting the TFFA was released. Its term was extended to a new 5 year maturity.

**Principal Recapitalisation Terms – Bridge Finance Facility**

Under the Recapitalisation Terms, all security and guarantees supporting the Bridge Finance Facility were released. The Bridge Finance Facility was then replaced with an unsecured on-demand intercompany debt with no fixed maturity, and which, at Trafigura's option, was to be equitised or subordinated.

**Principal Recapitalisation Terms – Unaffected Facilities**

Existing debt and working capital facilities not specifically referenced above were unaffected by the Recapitalisation Terms. This includes the AUD291 million (as at 31 December 2018) perpetual securities issued by Nyrstar Port Pirie Pty Ltd which was unaffected by the Lock-Up Agreement.

**Principal Recapitalisation Terms – Equity**

The Recapitalisation Terms provided for a sale by Nyrstar NV of the Operating Group to NewCo; following that, on 31 July 2019, a subsidiary of Trafigura incorporated in Malta (Nyrstar Holdings PLC) was issued 98% of the outstanding share capital of NewCo. Nyrstar NV continues to be a holding company, holding 2% of the equity in the Operating Group for the benefit of Nyrstar NV shareholders. Nyrstar NV and Trafigura also agreed on certain minority protection rights for Nyrstar NV and Nyrstar NV benefits from certain information rights, including in respect of distributions. Further, if Trafigura (at any time) proposes a transfer of any right or interest to a third party purchaser (on arms' length terms, for cash or non-cash consideration) that would result in a member of the Trafigura group holding 50% or less of the shares in NewCo, then Trafigura has the right to oblige Nyrstar NV to transfer (drag right), and Nyrstar NV has an equivalent right to participate in such transfer to the third party purchaser (tag right) in relation to, its entire 2% equity stake in NewCo on the same terms and for the same consideration per share as the transfer by Trafigura. Finally, Nyrstar NV can put all (but not part only) of its 2% holding onto Trafigura at a price equal to EUR 20 million in aggregate payable to Nyrstar NV. This put option can be exercised by Nyrstar NV between 6 months and 3 years of the implementation of the Recapitalisation Terms, subject to limited triggers allowing earlier exercise of the put option before 6 months or earlier termination of the put option before 3 years.

Further, Nyrstar NV has been released of liabilities for existing financial indebtedness and obligations owed under parent company guarantees of commercial or other obligations of the current members of the Operating Group (or indemnified by NewCo to the extent such guarantee liabilities are not released). Nyrstar NV is indemnified in respect of certain other historic liabilities relating to the Operating Group. NewCo also provides certain funding towards the continued operating costs of Nyrstar NV under the Limited Recourse Loan Facility. This includes EUR 8.5 million committed funding in respect of day-to-day ordinary course operating costs subject to various draw down requirements (the relevant facility has an additional separate EUR 5 million tranche for litigation defence costs (if any)).

In the interests of all stakeholders of the Group, including the Nyrstar NV's shareholders, the Board of Directors decided to voluntarily apply the procedure provided for in article 524 of the Belgian Companies Code to: (a) the Bridge Finance Facility (this article 524 procedure was applied on 15 April 2019), and, separately, to (b) (i) the sale by the Company of the Operating Group and all receivables owed to Nyrstar NV by the Operating Group at a nominal amount of USD 1 taking into account the fair market value of the assets (as adjusted by liabilities within the Operating Group) at the time of the transfer to NewCo, and (ii) the subsequent transfer of majority ownership of NewCo to Trafigura, through the issuance by NewCo of a 98% equity stake in itself to Trafigura (with the remaining 2% issued directly to Nyrstar NV) in connection with the coming into effect of certain other steps regarding implementation of the Restructuring. This article 524 procedure was voluntarily applied by the Board on 19 June 2019 and the independent expert appointed during this process included a review of the consideration at which Nyrstar NV sold the Operating Group to NewCo.



**Income statement from discontinued operations:**

<b>EUR million</b>	<b>Note</b>	<b>six months ended 30 Jun 2019</b>	<b>six months ended 30 Jun 2018</b>
<b>Revenue</b>		<b>1,587.1</b>	<b>1,929.5</b>
Raw materials used		(1,055.0)	(1,306.4)
Freight expense		(20.8)	(23.0)
<b>Gross profit</b>		<b>511.3</b>	<b>600.1</b>
Other income		2.2	5.7
Employee benefits expense		(177.8)	(168.3)
Energy expenses		(127.1)	(131.8)
Stores and consumables used		(79.0)	(78.4)
Contracting and consulting expense		(89.1)	(79.8)
Other expense		(34.5)	(30.7)
Depreciation, amortisation and depletion		(66.4)	(74.9)
Merger and acquisition related expense		0.3	(1.6)
Restructuring expense		(37.2)	(12.9)
<b>Result from operating activities</b>		<b>(97.3)</b>	<b>27.4</b>
Finance income		1.0	1.8
Finance expense		(105.8)	(70.9)
Net foreign exchange gain / (loss)		5.9	(4.6)
<b>Net finance expense</b>		<b>(98.9)</b>	<b>(73.7)</b>
<b>Loss before income tax</b>		<b>(196.2)</b>	<b>(46.3)</b>
Income tax (expense) / benefit		(6.8)	1.1
<b>Loss for the period from discontinued operations</b>		<b>(203.0)</b>	<b>(45.2)</b>

**Details of assets and liabilities of disposal group held for sale at 30 June 2019:**

<b>EUR million</b>	<b>as at 30 Jun 2019</b>
Property, plant and equipment	1,699.6
Intangible assets	4.5
Investments in equity accounted investees	1.9
Investments in equity securities	21.0
Deferred income tax assets	105.3
Other financial assets	126.2
Other assets	0.6
<b>Total non-current assets</b>	<b>1,959.0</b>
Inventories	802.0
Trade and other receivables	136.1
Prepayments	21.2
Current income tax assets	1.9
Other financial assets	37.2
Other assets	0.3
Cash and cash equivalents	140.8
<b>Total current assets</b>	<b>1,139.6</b>
<b>Total assets</b>	<b>3,098.6</b>
Loans and borrowings	764.2
Lease liabilities	90.8
Deferred income tax liabilities	59.1
Provisions	173.2
Employee benefits	66.4
Other financial liabilities	122.2
Deferred income	8.9
<b>Total non-current liabilities</b>	<b>1,284.8</b>
Trade and other payables	506.5
Current income tax liabilities	4.7
Loans and borrowings	1,190.2
Lease liabilities	3.0
Provisions	19.3
Employee benefits	34.9
Other financial liabilities	59.9
Deferred income	410.9
Other liabilities	3.4
<b>Total current liabilities</b>	<b>2,232.7</b>
<b>Total liabilities</b>	<b>3,517.5</b>

**Cash flows from discontinued operations:**

<b>EUR million</b>	<b>six months ended 30 Jun 2019</b>	<b>six months ended 30 Jun 2018</b>
Cash flow (used in) / from operating activities	(124.0)	71.4
Cash flow used in investing activities	(53.3)	(125.4)
Cash flow from financing activities	74.1	68.8
<b>Net (decrease) / increase in cash held</b>	<b>(103.2)</b>	<b>14.8</b>

During the six months ended and as at 30 June 2018, Nyrstar NV, the parent entity of the Group, had nine employees. The continued operations of the Group have no employees following the completion of the restructuring at 31 July 2019.

## 6. INCOME TAX

### (a) Income tax recognised in the income statement

Nyrstar recognised an income tax benefit from continued operations for the six months ended 30 June 2019 of Nil (for the six months ended 30 June 2018: Nil) representing an effective tax rate of Nil (30 June 2018: Nil) based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

### (b) Reconciliation of effective tax rate

EUR million	six month ended 30 Jun 2019	six month ended 30 Jun 2018
Loss before income tax	(4.3)	(4.2)
Tax at aggregated weighted average tax rate (2019: 29.0% / 2017: 30.5%)	1.2	1.3
(Non-deductible) / non-taxable amounts	-	-
Net non-recognition of tax assets	(1.2)	(1.3)
Prior year adjustments and tax rate change	-	-
Non-recoverable withholding tax	-	-
<b>Income tax (expense) / benefit</b>	<b>-</b>	<b>-</b>
Effective tax rate	0%	0%

The effective tax rate is impacted by losses incurred by the continued operations, for which no tax benefit has been recognised.

All deferred tax balances reported as at 31 December 2018 related to the discontinued operation. As at 30 June 2019 they are recognised as a part of assets classified as held for sale (note 5). Similarly, the uncertainties related to the tax audits reported by the Group as at 31 December 2018 all relate to the discontinued operation and as at 30 June 2019 are recognised, when required, as a part of assets classified as held for sale (note 5).

## 7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019 the Group's capital expenditure in the normal course of business (including leases accounted for under IFRS 16: *Leases*) amounted to EUR 69.1 million (six months ended 30 June 2018: EUR 133.6 million) of which Nil (six months ended 30 June 2018: EUR 2.2 million) related to the Port Pirie re-development. All of the capital expenditure relates to the discontinued operations.

## 8. LOANS AND BORROWINGS

The loans and borrowings balances as at 30 June 2019 are a part of the liabilities classified as held for sale (note 5).

EUR million	as at 30 Jun 2019	as at 31 Dec 2018
Convertible bonds	-	103.5
Fixed rate bonds	-	493.9
Unsecured bank loans	-	8.0
Finance lease liabilities	-	0.2
<b>Total non-current loans and borrowings</b>	<b>-</b>	<b>605.6</b>
SCTF Credit Facility	-	579.2
Unsecured bank loans	-	185.3
Loans from related parties	-	-
Finance lease liabilities	-	0.3
<b>Total current loans and borrowings</b>	<b>-</b>	<b>1,101.9</b>
<b>Total loans and borrowings</b>	<b>-</b>	<b>1,707.5</b>

## 9. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial assets and liabilities recognised at amortised cost on the interim condensed consolidated statement of financial position that are not classified as held for sale as at 30 June 2019 approximate their fair value.

The fair value measurement policies and valuation procedures of Nyrstar's financial assets and liabilities are consistent with the fair value measurement disclosures in the notes to the consolidated financial statements as at 31 December 2018.

## 10. DEFERRED INCOME

EUR million	as at 30 Jun 2019	as at 31 Dec 2018
Prepayments for deliveries of silver metal	-	-
Prepayments for deliveries of copper metal	-	17.5
<b>Total non-current deferred income</b>	<b>-</b>	<b>17.5</b>
Prepayments for deliveries of silver metal	-	-
Prepayments for deliveries of zinc and lead metal	-	395.6
Prepayments for deliveries of copper metal	-	8.7
<b>Total current deferred income</b>	<b>-</b>	<b>404.3</b>
<b>Total deferred income</b>	<b>-</b>	<b>421.8</b>

Deferred income consists of payments received by the Company from customers for future physical deliveries of metal production that are expected to be settled in normal course of business. The deferred income balances as at 30 June 2019 are a part of the liabilities classified as held for sale (note 5).

## 11. SHARE CAPITAL AND SHARE PREMIUM

As at 30 June 2019 the share capital of Nyrstar NV comprised 109,873,001 ordinary shares (31 December 2018: 109,033,545 ordinary shares) with a par value of EUR 1.038 (31 December 2018: EUR 1.038).

In March 2018 the Company issued 839,456 new ordinary shares as a settlement of the 2017 annual incentive plan of EUR 4.8 million (consisting of capital and issue premium) within the framework of the authorised capital. The new shares were subscribed for by certain existing employees of the Company and its subsidiaries.

## 12. SHARE BASED PAYMENTS

During the six months ended 30 June 2019, the Company did not issue any awards under the Long Term Incentive Plan (LTIP). Additionally, during the six months ended 30 June 2019, the Company did not make any payment under the 2018 Annual Incentive Plan ("2018 AIP"). The change of control of the Operating Group (note 5) did not have any impact on the vesting of the existing share based plans.

During the six months ended 30 June 2018, the Company issued awards under the Grant 11 of the Long Term Incentive Plan (LTIP) (LTIP 11). The effective accounting date of LTIP 11 was 8 June 2018. It has a performance period of 3 years, commencing at 1 January 2018. For LTIP 11 awards to vest, the two following performance conditions must be met at the end of 2020

- Nyrstar achieving a target underlying EBITDA by the end of 2020 (70% weighting); and
- The Nyrstar average share price for the 3 year performance period must outperform the MSCI world mining and metals index by 2% based on the volume weighted average annual performance (30% weighting)

Shares are awarded pro rata to executives to the extent that the target underlying EBITDA is met and predetermined scaling thresholds for the second market-based condition is met. Settlement of the awarded shares will be in the way of an allocation of shares.

The fair value of services received for the six months ended 30 June 2018, in return for the Grant 11 award issued was EUR 1.0 million.

Shares are awarded pro rata to executives to the extent that the target underlying EBITDA is met and predetermined scaling thresholds for the second market-based condition is met. Settlement of the awarded shares will be in the way of an allocation of shares.

In order to align rewards with the overall Group performance, the Board of Directors ("Board") approved the 2018 Annual Incentive Plan ("2018 AIP") for the employees of Nyrstar as a share settled plan with certain share deferral for the Nyrstar Management Committee and other senior managers of the Company. The performance criteria of the 2018 AIP are related to the Company's financial performance and the individual personal targets. The fair value of the services received for the six months ended 30 June 2018 amounted to EUR 3.0 million.

There have been no other changes to the Group's share based payment plans as disclosed in detail in the notes to the consolidated financial statements for the year ended 31 December 2018.

## 13. EARNINGS PER SHARE

**(a) Basic loss per share**

The calculation of basic loss per share (EPS) for the six months ended 30 June 2019 was based on the loss attributable to ordinary shareholders of EUR 207.3 million (for the six months ended 30 June 2018: loss of EUR 49.4 million) and a weighted average number of ordinary shares outstanding of 109.9 million (30 June 2018: 109.5 million). The basic EPS is calculated as follows:

<b>EUR million</b>	<b>six months ended 30 Jun 2019</b>	<b>six months ended 30 Jun 2018</b>
<b>Shareholders of Nyrstar</b>		
Loss attributable to ordinary shareholders (basic)	(207.3)	(49.4)
Weighted average number of ordinary shares (basic, in million)	109.9	109.5
<b>Loss per share (basic, in EUR)</b>	<b>(1.89)</b>	<b>(0.45)</b>
<b>Continuing operations</b>		
Loss attributable to continuing operations (basic)	(4.3)	(4.2)
Weighted average number of ordinary shares (basic, in million)	109.9	109.5
<b>Loss per share continuing operations (basic, in EUR)</b>	<b>(0.04)</b>	<b>(0.04)</b>
<b>Discontinued operations</b>		
Loss attributable to discontinued operations (basic)	(203.0)	(45.2)
Weighted average number of ordinary shares (basic, in million)	109.9	109.5
<b>Loss per share discontinued operations (basic, in EUR)</b>	<b>(1.85)</b>	<b>(0.41)</b>

**(b) Diluted loss per share**

As the entity incurred a loss for the six months ended 30 June 2019, the diluted loss per share EUR 1.89 (continuing: EUR 0.04, discontinued: EUR 1.85) equals the basic loss per share (six months ended 30 June 2018: EUR 0.45 (continuing: EUR 0.04, discontinued : EUR 0.41)).

**14. CAPITAL COMMITMENTS**

The value of commitments for acquisition of plant and equipment contracted for but not recognised as liabilities at the reporting date are set out in the table below. All of the capital commitments relate to the discontinued operation.

<b>EUR million</b>	<b>as at 30 Jun 2019</b>	<b>as at 31 Dec 2018</b>
Within one year	20.8	15.6
Between one and five years	-	-
More than five years	-	-
<b>Total</b>	<b>20.8</b>	<b>15.6</b>

**15. RESERVES**

EUR million	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
<b>As at 1 Jan 2019</b>	<b>13.1</b>	<b>(265.4)</b>	<b>38.0</b>	<b>39.2</b>	<b>3.5</b>	<b>(171.6)</b>
Losses on cash flow hedges	-	-	(24.9)	-	-	(24.9)
Foreign currency translation differences	(3.7)	-	-	-	-	(3.7)
Change in fair value of investments in equity securities	-	-	-	-	0.4	0.4
<b>As at 30 June 2019</b>	<b>9.4</b>	<b>(265.4)</b>	<b>13.1</b>	<b>39.2</b>	<b>3.9</b>	<b>(199.8)</b>

EUR million	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
<b>As at 1 Jan 2018</b>	<b>35.8</b>	<b>(265.4)</b>	<b>26.2</b>	<b>39.2</b>	<b>2.9</b>	<b>(161.3)</b>
Losses on cash flow hedges	-	-	(11.9)	-	-	(11.9)
Foreign currency translation differences	(22.7)	-	-	-	-	(22.7)
Change in fair value of investments in equity securities	-	-	-	-	0.3	0.3
<b>As at 30 June 2018</b>	<b>13.1</b>	<b>(265.4)</b>	<b>14.3</b>	<b>39.2</b>	<b>3.2</b>	<b>(195.6)</b>

## 16. CONTINGENCIES

### Legal actions

Although Nyrstar is the subject of a number of claims and legal, governmental and arbitration proceedings incidental to the normal conduct of its business, neither the Company nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the six months ended 30 June 2019 which, in Company's assessment, may have or has had significant effects on the financial position or profitability of the Company and its subsidiaries, taken as a whole. Refer to note 18 for the disclosures of the legal actions taken by certain minority shareholders of the Company. All other claims against the Group are a part of the discontinued operation and have been transferred as a part of the completion of the restructuring (note 5).

## 17. RELATED PARTIES

### Relationship with Trafigura

#### *Overview of the relationship with Trafigura*

Trafigura is a significant shareholder of the Company through its subsidiary, Urion Holdings (Malta) Ltd ("Urion"). It acquired its shareholding in the Company through several acquisitions, which were notified to the Company as follows:

<b>Date of Notification</b>	<b>Number of shares notified</b>	<b>Percentage of shares notified</b>
1 October 2014	28,638,753	8.42% <sup>(1)</sup>
2 October 2014	34,651,369	10.19% <sup>(1)</sup>
12 November 2014	52,035,694	15.30% <sup>(1)</sup>
1 September 2015	68,090,869	20.02% <sup>(1)</sup>

Notes:

- (1) On the basis of 340,045,088 outstanding Shares of the Company at that time before conversion of any of the convertible bonds outstanding at that time.

Since the notification of significant shareholding received by the Company at 1 September 2015, Urion acquired additional shares in the Company via market purchases. According to the most recent information received by the Company, at 30 June 2019 Urion held 26,830,662 (31 December 2018: 26,830,622) shares representing 24.42% (31 December 2018: 24.42%) of the voting rights.

Following the annual general shareholders' meeting held at 27 April 2016, the Board of Directors was comprised of two non-executive dependent directors, namely Mr. Christopher Cox and Jesús Fernandez. Both Mr. Christopher Cox and Jesús Fernandez represented Urion. Mr. Jesús Fernandez resigned from the Board of Directors in February 2019. Mr. Christopher Cox's Board mandate expired at 5 November 2019 and was not renewed.

As a result of the restructuring of the Nyrstar Group, the Trafigura group gained control over the operating entities of the Group at 31 July 2019 (note 5).

### ***Trafigura Relationship Agreement***

In connection with Trafigura's commitment to support the Offering (see below), on 9 November 2015 the Company entered into a relationship agreement (the "Relationship Agreement") with Trafigura Group Pte. Ltd. to govern Nyrstar's relationship with Trafigura Group Pte. Ltd. and its affiliated persons (collectively "Trafigura").

The Relationship Agreement provides amongst other things for the following:

- All transactions between the Group and Trafigura are to be conducted at arm's length and on normal commercial terms.
- Trafigura will during the term of the Relationship Agreement not acquire (directly or indirectly) any shares or voting rights in the Company that would bring its aggregate holding of shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may be, the Group) to a level above 49.9% of the outstanding shares or voting rights of the Company. Furthermore, Trafigura does not intend to and will not, directly or indirectly, solicit, launch or publicly announce the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is not recommended or otherwise supported by the board of directors of the Company. The aforementioned restrictions would automatically fall away in case of the announcement by a third party at the request of the Belgian FSMA regarding its intention to carry out a public tender offer, the announcement of an actual public tender offer by a third party, an acquisition by a third party of shares such that such person's holding of shares reaches or exceeds 10% of the outstanding shares in the Company, and it becoming unlawful for the Relationship Agreement to remain in force. The restrictions do not prevent Trafigura from soliciting, launching or publicly announcing the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is recommended or otherwise supported by the board of directors of the Company, tendering shares in a public tender offer (including the entering into an irrevocable commitment with respect to such public tender offer) or entering into another transaction in relation to its shares, such as sale of its shares.
- Trafigura will be able to nominate or propose the nomination of such number of directors to the Company's board of directors as it determines, but limited to a number that does not constitute a majority of the Company's board of directors (such directors being a "Trafigura Director", but it being noted that the director appointed upon proposal of Trafigura, Mr. Martyn Konig, prior to the date of the Relationship Agreement who is an "independent director" shall not for these purposes be considered as a Trafigura Director). The Relationship Agreement also provides that the proposal for appointment of any new independent director requires the approval of a majority of the directors other than the Trafigura Directors, it being understood however, that the Relationship Agreement in no way restricts the Trafigura group as shareholder to vote in favour of or against any proposed independent director. In case a Trafigura Director is chairman of the board of directors or chairs a meeting of the board of directors, he or she shall not have a casting vote. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting



shall be at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent board meeting can be held with the same agenda if at least any two directors are present.

- After completion of the Offering, Trafigura may request the Company to take certain steps, including the publication of a prospectus or other offering document in connection with a proposed disposal of some or all of Trafigura's shares.
- After completion of the Offering, if the Company issues equity securities, Trafigura will have pro rata subscription rights.

The Relationship Agreement will have effect for as long as Trafigura holds 20% or more but less than 50% of the shares in the Company. It may be terminated by Trafigura if any of the Trafigura Commercial Agreements that it entered into with the Nyrstar Sales & Marketing AG on 9 November 2015 is terminated other than as a result of expiry or non-renewal and other than due to material breach by Trafigura. As part of the implementation of the Restructuring as explained in note 5, the Relationship Agreement was terminated at the completion of the Restructuring. Refer to note 5 for the changes of the relationship between the Group and Trafigura subsequent to the completion of the restructuring of the Group.

#### ***Trafigura's Commitment to the Rights Offering***

On 9 November 2015, Trafigura, (through its subsidiary, Urion) agreed, subject to certain conditions, to subscribe for shares in the rights offering ("Offering") that was launched on 5 February 2016, for up to a maximum aggregate amount of EUR 125 million, and provided that its aggregate shareholding in the Company after completion of the Offering is not more than 49.9%. Pursuant to the Rights Offering, Urion subscribed with rights for 149,861,803 new shares for an aggregate amount of EUR 67.4 million. As a result of the Offering, Urion's shareholding in the Company remained at 24.61% in aggregate. The Company paid to Trafigura a commission of EUR 5.0 million;

#### ***Trafigura's Commitment to the Equity Issuance in 2017***

On 14 November 2017, Trafigura, (through its subsidiary, Urion) subscribed for shares in the equity issuance of EUR 100 million. Urion subscribed for 3,775,000 new shares. As a result of the equity issuance, Urion's shareholding in the Company changed to 24.61% in aggregate.

#### ***Trafigura Commercial Agreements***

On 9 November 2015, Nyrstar Sales & Marketing AG entered into commercial agreements with Trafigura Pte. Ltd. (the "Trafigura Commercial Agreements") relating to the purchase by Nyrstar from Trafigura of zinc concentrate, lead concentrate and finished refined aluminium metal (the "Purchase Agreements") and the sale by Nyrstar to Trafigura of finished refined zinc metal (part of this contract being implemented by way of the 2015 prepay financing), finished refined lead metal and finished refined copper cathodes (the "Sales Agreements").

All of the agreements came into force on 1 January 2016 for a fixed term of five years until 31 December 2020, with an option for Trafigura to renew for a further period of five years. Thereafter they are expected to continue on an evergreen basis, provided that with at least one calendar year's notice (which can be given on and from 31 December 2024) (i) Trafigura may terminate at any time and (ii) Nyrstar may only terminate if Trafigura's or its affiliates' shareholding in Nyrstar NV or its affiliate falls below 20%. In addition, the agreements are subject to certain termination rights in case of default under the various agreements.

The Purchase Agreements provide for market-linked prices, with biannual agreement of treatment charges (for zinc concentrate and lead concentrate) and premiums (for aluminium), which are subject to certain fallback or cancellation mechanisms, in case no agreement can be reached between the parties. Certain commercial terms, such as the selection of the quotational period or penalties are not renegotiated biannually.

Subject to annual agreement, the Purchase Agreements will relate to approximately 500,000t of zinc concentrate per annum representing approximately 25% of Nyrstar's zinc concentrate feedbook requirements. In January 2019, it was agreed between Nyrstar and Trafigura to marginally reduce the volume of zinc concentrate to be delivered in 2019 to 475,000t. Before the restructuring effective date (note 5), the Group agreed the treatment charge for the deliveries of 350,000t of the agreed 2019

annual deliveries at the weighted average treatment charge of USD 202.10/DMT (2018: annual weighted average of 37.20/DMT). In January 2017, Nyrstar and Trafigura agreed a framework for the granting by Trafigura, on a case by case basis, of deferred payment terms on concentrate deliveries for two specific Purchase Agreements. Any such deferred payments were secured by the shares of Nyrstar Budel BV, a subsidiary of the Company. These deferred payments terms have been replaced in December 2018 by the TFFA (see below).

The Sales Agreements provide for market-linked prices plus (i) market-linked premiums less specific annually agreed discounts for zinc metal, (ii) annually agreed premiums for lead metal and (iii) market-based premiums subject to annually agreed discounts for copper cathodes all of which are subject to certain fallback mechanisms in case no agreement can be reached between the parties. Certain commercial terms, such as the selection of the quotational period or penalties are not renegotiated biannually. The Sales Agreements pertain the sale of substantially all of Nyrstar's production of commodity grade metal. In conjunction with the zinc metal Sales Agreement, Nyrstar provides storage and handling services to Trafigura on purchased volumes at no additional cost.

In May and November 2017, Nyrstar and Trafigura amended the "Trafigura Commercial Agreements" entered into on 9 November 2015. These amendments are effective as of the date the agreements are signed. These amendments further defined the zinc specifications and volumes by region.

The commercial terms of the Trafigura Commercial Agreements which have not been specifically detailed above in relation to the agreed zinc treatment charges were entered into at arm's length commercial terms based on the prevailing market conditions at the relevant time.

In accordance with the terms of the Purchase Agreements, Nyrstar and Trafigura agreed for Trafigura to partially prepay, on a three-month rolling basis, the annual purchase of 230,000 metal tonnes of zinc to be delivered for calendar year 2017 and onwards. In addition, Nyrstar and Trafigura agreed to use reasonable endeavours to agree by 15 August 2018 the financing terms for prepayment of an additional 175,000 metal tonnes of zinc to be delivered annually from the calendar year 2019 and onwards. These agreements were concluded as part of the TFFA finalised on 6 December 2018 (refer below).

#### ***Trafigura Off-take Agreement under the zinc prepayment agreement***

In December 2015, Trafigura also became the off-taker in the USD 150 million (EUR 137.8 million) zinc prepayment arranged by Deutsche Bank AG that is linked to the physical delivery of refined zinc metal to Trafigura under the terms of a three-year offtake agreement. The agreement was subsequently amended and extended. The outstanding balance of the zinc prepayment at 30 June 2019 was EUR 129.6 million (31 December 2018: 127.8 million). Principal amortisation is to commence in June 2019. Trafigura's direct interest in the prepayment is USD 30 million and the Group incurs an interest of 4.25% on the outstanding balance of the zinc prepayment.

#### ***Trafigura Trade Finance Framework Agreement***

On 21 November 2018, the Group announced that it had agreed a binding term sheet with Trafigura Pte Ltd ("Trafigura") under which Trafigura would extend USD 650 million of committed liquidity in favour of Nyrstar Sales & Marketing AG ("NSM"). This was finalised into a USD 650 million Trade Finance Framework Agreement dated 6 December 2018 (the "TFFA").

The TFFA comprises of a USD 450 million committed revolving prepayment tranche with interest of LIBOR plus 5%, a revolving open account tranche with interest of 6% p.a. and a revolving letter of credit guarantee tranche with interest of 6% p.a. at USD 100 million each, totaling to another USD 200 million. The TFFA matures on 30 June 2020. The Agreement also provided for payment by NSM of an upfront fee of an amount equal to 1% of the total commitments (i.e. USD 6.5 million) on the date that the Agreement was entered into and of approximately USD 3.0 million of costs and expenses incurred by Trafigura in connection with the TFFA.

The TFFA benefits from a comprehensive guarantee and security package comprising financial guarantees from 12 Group companies that are, together with NSM, also the guarantors under the Group's Notes. In addition, the TFFA benefits from pledges over shares of Nyrstar Budel BV, Nyrstar France SAS, Nyrstar Hobart Pty Ltd, Nyrstar Port Pirie Pty Ltd, Nyrstar Belgium NV, Nyrstar Clarksville Inc., Nyrstar Tennessee Mines – Gordonsville LLC and Nyrstar Tennessee Mines – Strawberry

Plains LLC; and pledges over the main operating assets of these Group companies (being the smelters and mining properties), and certain inventories and receivables within NSM. Under the Recapitalisation Terms, all security and guarantors supporting the TFFA was released. Its term was extended to a new 5 year maturity (note 5). It contains financial covenants equal to those of the other existing loan agreements of the Company, customary events of default, information undertakings, including but not limited to weekly cash flow and capital structure updates and other undertakings, like limitations on Port Pirie incurring further indebtedness or guarantees, making any disposal of fixed assets or making any distributions, in order to protect the equity value of Port Pirie.

Under the terms of the TFFA, the prepayment tranche is to be settled through monthly deliveries of zinc to Trafigura starting from June 2019. Nyrstar will make deliveries in metal based on a predefined shipment schedule in the amount of agreed instalments until 31 December 2019 with further drawdowns on a revolving nature up to June 2020 capped at USD 450 million.

The Board of Directors has decided to voluntarily apply the procedure provided for in article 524 of the Belgian Companies Code to: TFFA (this article 524 procedure was completed on 3 December 2018).

As of 30 June 2019, Nyrstar has received the full prepayments from the prepayment facility in the amount of USD 450 million (31 December 2018: USD 450 million) and has recognized them as deferred income.

As of 30 June 2019 the revolving open account and the revolving letter of credit tranches, USD 100 million each, were utilised at the amount of USD 199.5 million (EUR 175.4 million) (31 December 2018.: Nil). The underlying liabilities for which the revolving letter of credit tranches have been utilized are recognised as trade payables.

All of the transactions and the outstanding balances disclosed below are a part of the discontinued operations and the assets and liabilities held for sale.

EUR million	2019	2018
<b>Transactions with related parties:</b>		
<b>Sale of goods and services</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	496.5	319.5
Others	-	-
<b>Purchase of goods and services</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	318.3	350.9
Others	9.9	3.7
<b>Commissions and finance expense paid to related parties</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	2.0	0.9
Others	-	-
<b>Balances with related parties:</b>		
<b>Amounts owed by</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	8.1	21.1
Others	-	-
<b>Amounts owed to</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	562.2	450.2
Others	5.1	0.3

Except for the balance related to the TFFA (refer below), the amounts outstanding are unsecured and no guarantees have been given or received in relation to these amounts. The balance related to the TFFA has been secured and guaranteed as described above, and is expected to be settled through the delivery of zinc metal. No expenses have been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

The balance owed to Trafigura at 30 June 2019 of EUR 565.2 million (31 December 2018: EUR 450.2 million) includes Trafigura's direct participation of USD 30 million (EUR 26.3 million) in the Zinc prepayment (31 December 2018: USD 30.0 million (EUR 26.2 million)), the prepayments related to the TFFA of USD 450.0 million (EUR 395.7 million) (31 December 2018: USD 450.0 million (EUR 392.8 million)) and the balance of accounts payable of EUR 143.2 million (31 December 2018: EUR 31.2 million).

EUR million	Transaction values for the six months ended 30 June	
	2019	2018*
<b>Transactions with related parties:</b>		
<b>Interest paid to related parties</b>		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	23.5	4.3

\* Prior year comparatives have been aligned with current year presentation and disclosure.

## 18. SUBSEQUENT EVENTS

The Restructuring of the Group that took full effect on 31 July 2019 is disclosed in note 5.

Other subsequent events:

- On 29 April 2019, Nyrstar Port Pirie Pty Ltd notified the holder of the Perpetual Securities that it elected to cash pay all of the Distribution Amount (interest/fees) on the Perpetual Securities for the period 27 November 2018 to 27 May 2019 (being AUD 13.2 million) and also that it would redeem 29,125 Perpetual Securities with a value of AUD 29.1 million. This was the targeted number of Perpetual Securities for the relevant period under the financing arrangement involving the State of South Australia. Nyrstar paid the aggregate of both amounts, AUD 42.3 million (EUR 26.1 million) on 27 May 2019. During the period to 31 July 2019, the South Australian Government, Nyrstar and Trafigura participated in discussions that ultimately have led to agreement on the terms on which the perpetual securities will be restructured to a guaranteed secured debt. Those terms include Nyrstar Port Pirie Pty Ltd making a A\$58.25M repayment in November 2019 (corresponding with the payments that were deferred in May and November 2018).
- In June 2019 Nyrstar declared force majeure under a number of its agreements, due to an unplanned stoppage of production at the Port Pirie smelter that commenced on 28 May 2019. Production was initially expected to resume at the end of June 2019. The Blast Furnace was intentionally shut down in May 2019, to allow the Top Submerged Lance Furnace (TSL) to re-establish an adequate stock of TSL slag feed for the Blast Furnace, following an extended planned shutdown of the TSL in April 2019. The Blast Furnace restart was unexpectedly delayed on 28 May 2019 by a steam eruption in the Refinery and a failed Blast Furnace water jacket. On 5 June 2019, a failure of the TSL main process gas duct (Gooseneck), between the Waste Heat Boiler and Evaporative Gas Cooler required a further shutdown of the TSL for remedial work. Consequently the further extended Blast Furnace outage resulted in a requirement for a partial dig out of the Continuous Drossing Furnace (CDF), essential for treatment of all lead output from the Blast Furnace, as it had fully solidified. The Blast Furnace was restarted on 27 June 2019, however, the restart attempt was aborted due to issues with the slag chemistry. Remediation work on the TSL Gooseneck was completed in July 2019 and the TSL restarted on 18 July 2019. The Blast Furnace was subsequently restarted on 27 July 2019. These unplanned shutdowns had an estimated negative impact on production at Port Pirie of approximately 30,000 tonnes of lead market metal over the course of June and July 2019 (i.e. before the 31 July 2019 restructuring effective date when the Port Pirie smelter started to be controlled by the Trafigura group) and an estimated Underlying EBITDA impact of EUR 25 to 30 million in the same period.
- On 24 June 2019 the president of the court of Brussels rendered a decision against Nyrstar NV after a unilateral petition dated 21 June 2019 by minority shareholders Kris Vansanten and Jean-Marc Van Nypelseer, both represented by WATT Legal. The decision, amongst others, requested Nyrstar NV to disclose certain documentation at its AGM on 25 June 2019 and on its website. Nyrstar fully complied with the court decision, yet filed a third party

opposition to this decision on 11 July 2019. WATT Legal subsequently launched counterclaims such as for a shareholders' meeting to be convened (either by the board or an interim administrator).

The court hearing took place on 14 August 2019. The Court rendered its decision on 28 August 2019 declaring Nyrstar's opposition admissible and largely well founded. In particular, the court only upheld the request to suspend the vote on all agenda points for the AGM of 25 June 2019 and the request for Nyrstar to convene a new AGM once the auditor has finalized her report. All other measures requested by WATT Legal (in their initial petition of 21 June 2019) were found inadmissible, as the shareholders had ample time to request these through a contradictory procedure. The court also declared the counter measures by WATT Legal (which they reduced in their final legal briefs to requesting the appointment of an interim administrator to convene an AGM) inadmissible. The court rejected Nyrstar's counter damage claim for compensation of EUR 10,000 per shareholder due to frivolous and vexatious lawsuit. The minority shareholders have to bear  $\frac{3}{4}$  of the court expenses and Nyrstar only  $\frac{1}{4}$  of the court expenses.

- Nyrstar notes the press coverage by L'Echo and De Tijd on Saturday 17 August 2019. The various allegations that have been raised by Nyrstar's ex-internal auditor in the press coverage published by L'Echo and De Tijd date from 2018 and before. They were all historically reported to, investigated and fully dealt with by Nyrstar's management committee, audit committee and/or board of directors as appropriate in 2018 and early 2019. Nyrstar strongly refutes any allegation that any of its published accounts have been falsely or incorrectly stated.
- On 8 November 2019 the Company received a writ of summons to appear before the President of the Commercial Court in Antwerp at the request of a group of minority shareholders of the Company. These minority shareholders are seeking:
  - that the decisions that were taken by the Annual General Meeting of the Company on Tuesday 5 November 2019 are suspended;
  - that a provisional administrator be appointed and tasked (a) to convene a further Annual General Meeting of the Company to re-run the voting of all the proposals, (b) to record the responses to the written and oral questions of shareholders and to publish this on the Company's website within 15 days after the court decision has been served, (c) to ensure that all documents submitted to the meeting are available to all shareholders present at the meeting, (d) to ensure that food and beverages are provided to all meeting participants, (e) to ensure that the meeting room is available for the full meeting, as well as the translators, (f) to record all documents, data files, information carriers or computers and to store these in a closed space at the registered office of the Company (except for what is required for the day-to-day management of the Company), (g) to collect and submit any and all documents requested by the FSMA or judicial authorities, and (h) to monitor all loans considered by the Company to ensure that the below-mentioned prohibition is complied with;
  - that the Company is prohibited from destroying or removing any document, data file, information carrier or computer from its registered office; and
  - that the Company is prohibited from entering into any loans for more than EUR 1 million per year, unless the interests and repayments are covered by the dividends received on its participation in NN2.

Nyrstar emphasises and confirms that the Annual General Meeting of the Company on Tuesday 5 November 2019 was validly held and concluded over a period of more than 10 hours. Nyrstar's directors and its auditor had received many written and oral questions and they dedicated the quasi-totality of the meeting to responding to those questions. Nyrstar's directors and auditors remained available for further questions but certain minority shareholders

themselves preferred to leave the meeting. Nyrstar believes that the claims by the minority shareholders in the interim proceedings application are therefore unfounded and vexatious.

- Following the completion of the restructuring at 31 July 2019, the Company deconsolidated the Operating Group in which the Company continues to hold 2% investment. At 31 July 2019 the Company recognised a gain on the forgiveness of the notes and unsecured facilities of the Group of approximately EUR 1,119 million. This amount represents the write-offs by the noteholders (note 5) and by the issuers of the unsecured facilities (note 5) agreed as a part of the restructuring, excluding the instruments issued by the Trafigura Group to the noteholders under the “Principal Recapitalisation Terms – Notes” (note 5). The gain on forgiveness of the notes and unsecured facilities has increase the net assets of the Group.

The estimated gain on deconsolidation of the Operating Group of approximately EUR 618 million (excluding the advisors’ fees of EUR 78 million, of which EUR 41 million have been recognised in the six months ended 30 June 2019) includes the gain on the forgiveness of the notes and unsecured facilities of the Group of approximately EUR 1,119 million (note 5) and the fair value of the 2% investment in the Operating Group of approximately EUR 15 million, offset by the deconsolidation of the net assets of the operating group at the date of the deconsolidation of approximately EUR 504 million (that includes the recognition of the EUR 1,119 million debt forgiveness benefit noted above), recycling of the foreign currency reserve of approximately EUR 8 million from other comprehensive income to the income statement and recycling of the cash flow hedge reserve of approximately EUR 3 million from the other comprehensive income to the income statement, all recognised at the date of the deconsolidation. The gain on disposal of the Operating Group will be recorded as a part of profit or loss for the year from discontinued operations in the statement of profit and loss and other comprehensive income.

- Under article 110 of the Belgian Companies Code, a parent company that controls or more subsidiaries is required to prepare consolidated financial statements, unless such subsidiaries have, in view of the consolidated assets, financial position or results that are only of a negligible significance. Given as at 31 December 2019 Nyrstar NV is not expected to control any significant subsidiary, the Company currently expects that it will not be required to prepare the consolidated financial for the year ending 31 December 2019. In accordance with article 12, §3, final paragraph, of the Royal Decree of 14 November 2007, Nyrstar NV will prepare the standalone statutory financial statements prepared in accordance with the Belgian GAAP and will have them audited by its statutory auditors.

## STATEMENT OF RESPONSIBILITY

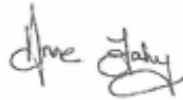
The undersigned, Martyn Konig, Chairman of the Board of Directors, and Anne Fahy, Director, declare that, to the best of their knowledge:

- a) the condensed consolidated interim financial statements for the six month period ended 30 June 2019 which have been prepared in accordance with applicable standards give a true and fair view of the assets, the financial position and income statement of the issuer and its consolidated subsidiaries;
- b) any significant transactions with related parties and their impact on the condensed consolidated financial statements have been disclosed in the financial information;
- c) there have been no material changes to the risks and uncertainties for the Group as outlined in the 2018 Annual Report; these risks and uncertainties remain applicable for the financial performance of the Group until the finalisation of the Group restructuring at 31 July 2019 (note 5). For the remainder of 2019 the risks and uncertainties relate primarily to the Company's 2% ownership in the Operating Group (note 5).

Brussels, 6 December 2019

A handwritten signature in black ink, appearing to read "Martyn Konig".

Martyn Konig  
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read "Anne Fahy".

Anne Fahy  
Director