

25 JUNE 2019

Shareholders' Meeting



 nyrstar

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- **Today's meetings are in Dutch in accordance with the applicable laws.**
 - **The persons who are not able to express themselves in Dutch may express themselves in English or French. If you have not already received headphones for this purpose, they are available at the back of the room.**
 - **Please use channel one for Dutch, channel two for English and channel three for French.**



Martyn Konig
Executive Chairman

Chairman's Note

- ❑ The past nine months have been the most turbulent period for Nyrstar in its corporate history
- ❑ A very difficult operating environment during 2018 combined with an acutely negative market reaction to our Q3 results had a near terminal impact on the Group's performance and liquidity
- ❑ As a direct consequence, in Q4 the Company has been faced with the very real and imminent prospect of insolvency
- ❑ The consequences of such an insolvency would have been devastating to all stakeholders
- ❑ The board needed to consider the impact not only on shareholders and bondholders but also on our more than 4,100 employees, our customers, contractors, suppliers, creditors and their communities
- ❑ We have worked closely with the unions which represent the people who work at our plants and are grateful for their support and understanding through these difficult times



Chairman's Note

- ❑ The Board has done everything in its power to save Nyrstar, including putting in place emergency funding in December 2018
- ❑ However, it became increasingly clear that the Company's survival depended on a fundamental restructuring of its balance sheet, as its cash flows could no longer support its ongoing debt obligations
- ❑ Through subsequent months of intense negotiations, the Board concluded an extensive restructuring agreement negotiated by its principal creditor groups
- ❑ Regrettably, given the extent of impairment that the restructuring imposes on its creditors, we are acutely aware that our shareholders face a very substantial loss
- ❑ We would like to take this opportunity to describe the circumstances running up to the restructuring, the terms and the impact of the restructuring



Composition of the Bureau



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Agenda

1. Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the statutory financial statements for the financial year ended on 31 December 2018: **Withdrawn**
2. Withdrawn: Approval of the statutory financial statements of the company for the financial year ended on 31 December 2018, and of the proposed allocation of the result: **Withdrawn**
3. Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the consolidated financial statements for the financial year ended on 31 December 2018: **Withdrawn**
4. Submission of the consolidated financial statements of the company for the financial year ended on 31 December 2018: **Withdrawn**
5. Discharge and interim discharge from liability of the Directors: **Withdrawn**
6. Discharge from liability of the Statutory Auditor: **Withdrawn**
7. Approval of the Remuneration report: **Withdrawn**
8. Acknowledgement of resignation of Mr. Jesús Fernandez Lopez: **Withdrawn**
9. Re-appointment of Mr. Christopher Cox: **Withdrawn**
10. Re-appointment of Mr. Martyn Konig: **Withdrawn**
11. Additional remuneration of Ms. Jane Moriarty and Mr. Martyn Konig: **Withdrawn**
12. Share based remuneration for Mr. Christopher Cox: **Withdrawn**

Convening and Composition of the Meeting



Deliberation





Hilmar Rode
Chief Executive Officer

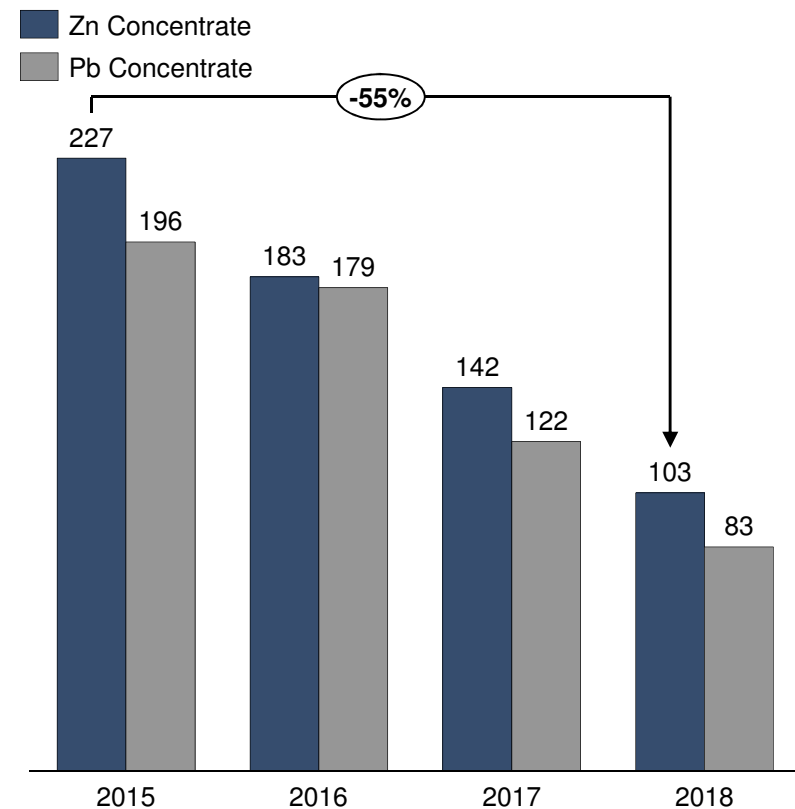
Background: 2018 Operating Environment

- In 2018, Nyrstar faced extremely challenging market conditions, with zinc prices significantly below the prior year levels and smelting margins at historically low levels driven by a multi-year decline in treatment charges
- Nyrstar found itself in a particularly vulnerable position, as the inherent delays between market metal price movements and applicable smelting margins meant that its profitability continued to be squeezed through the latter half of 2018

Zinc Price (USD/t)



Realised avg. Treatment Charge (USD/dmt)

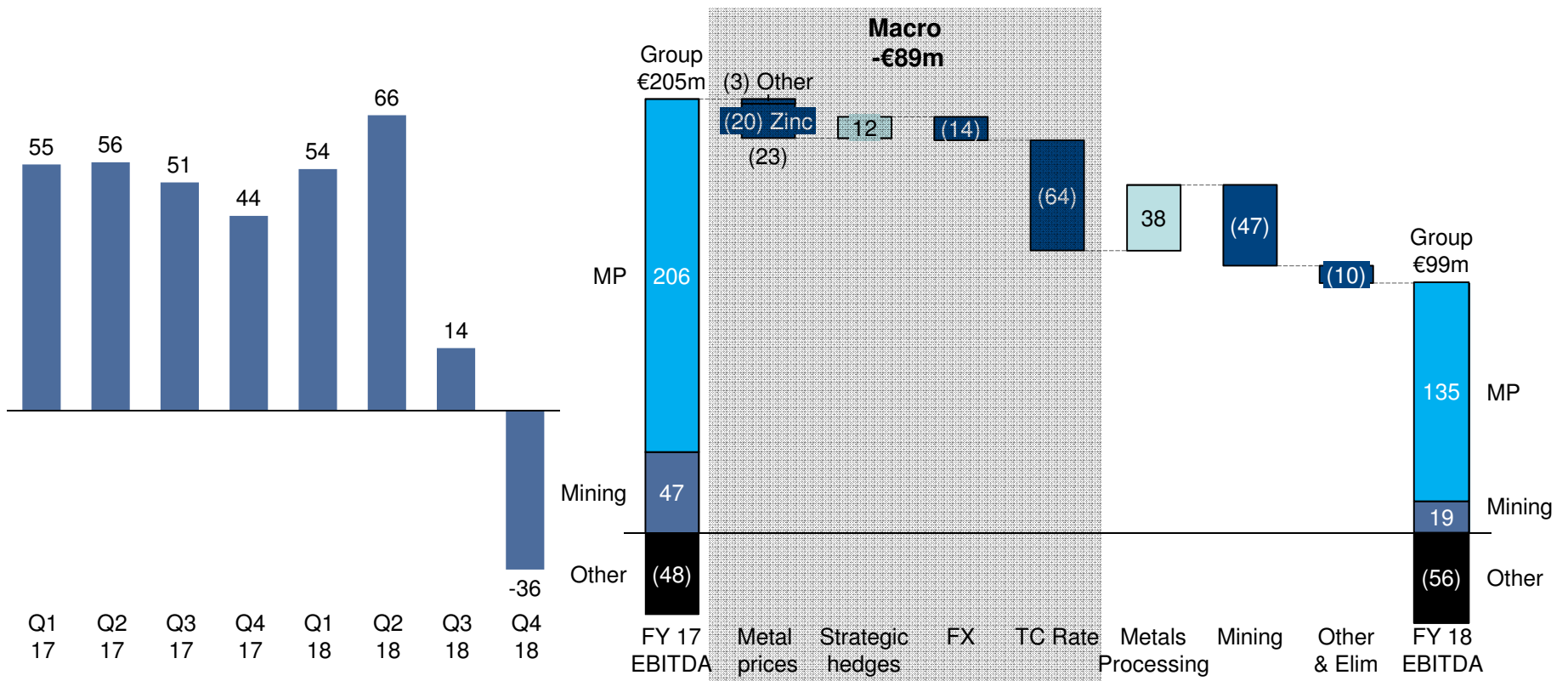


Background: 2018 Performance

- The challenging price environment weighed on Nyrstar's operating performance, which worsened considerably in the second half of 2018
- The drop in underlying performance combined with increasing negative research and press coverage severely impacted the liquidity position and started to affect the Company's ability to manage working capital as normal

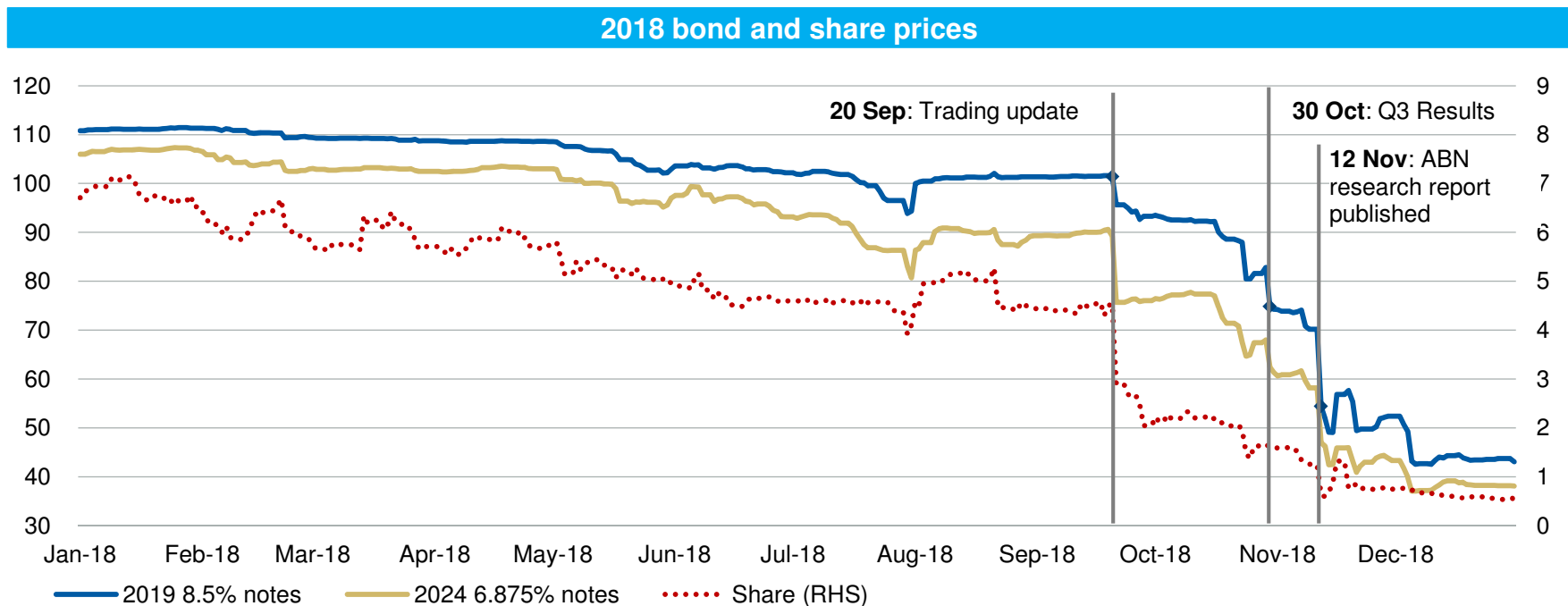
Group U/L EBITDA (EUR in millions)

Group U/L EBITDA FY 2018 on FY 2017 (EUR in millions)



Background: Financial Markets in 2018

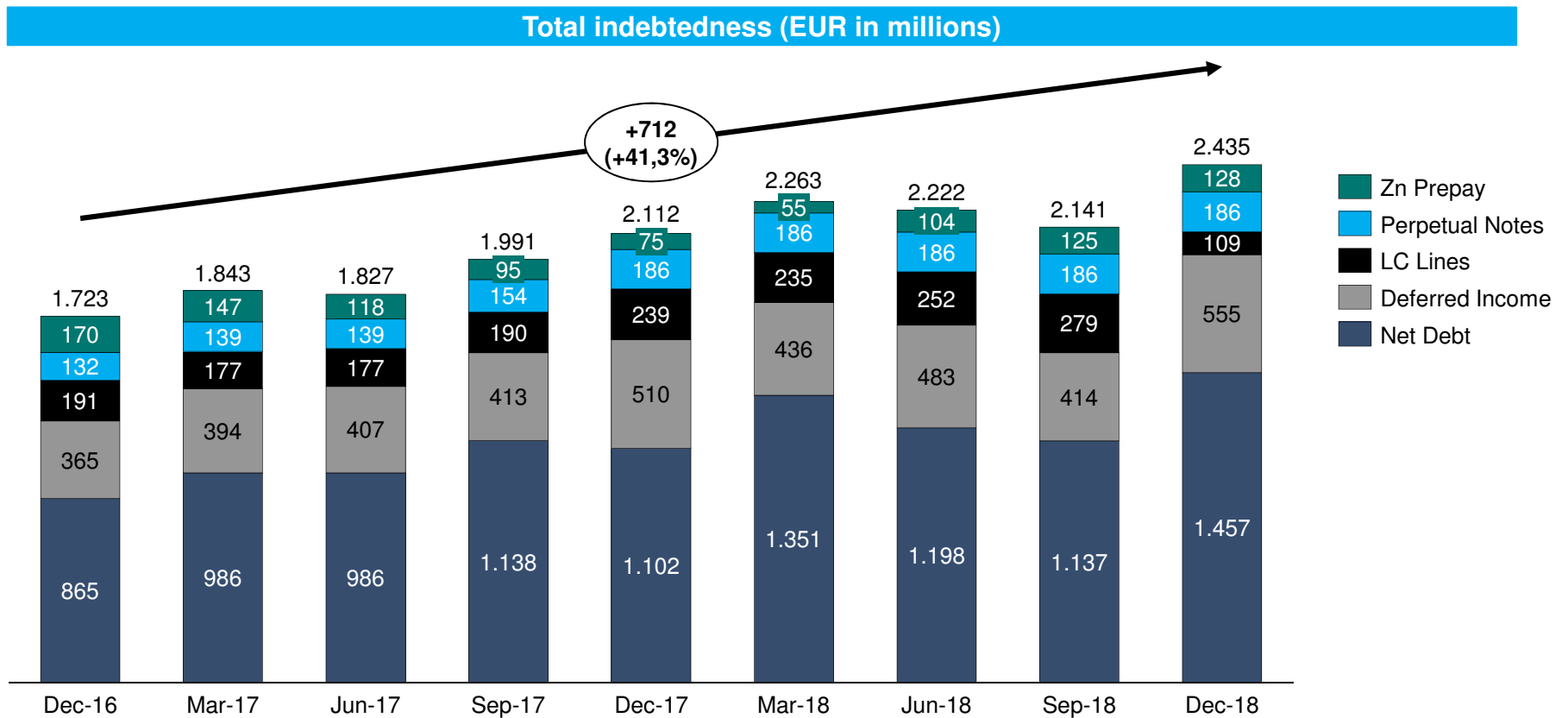
- As a publicly listed company with public debt securities, any negative news about Nyrstar’s performance or its future prospects were immediately reflected in the financial markets
- Significantly, the Company’s bonds traded sharply down from par since the Q3 2018 results, indicating increasing concern amongst investor community that the Company’s capital structure was unsustainable
- The news that the Company’s bonds were quoted at “distressed levels” had material bearing on its many financial stakeholders’ attitude towards the Company, particularly amongst its critical trade finance providers



Source: Bloomberg

Background: Capital Structure

- In September 2018, Nyrstar had reportable net debt of €1,137 million, or €1,449 million including Port Pirie perpetual instruments and certain zinc metal prepays
- However, given our large working capital requirements, the Company relied on a significant amount of trade financing arrangements, of which some were committed, long-term arrangements, but others were subject to periodic renewal or termination
- Financial markets became increasingly focussed on the upcoming €340 million September 2019 bond maturity



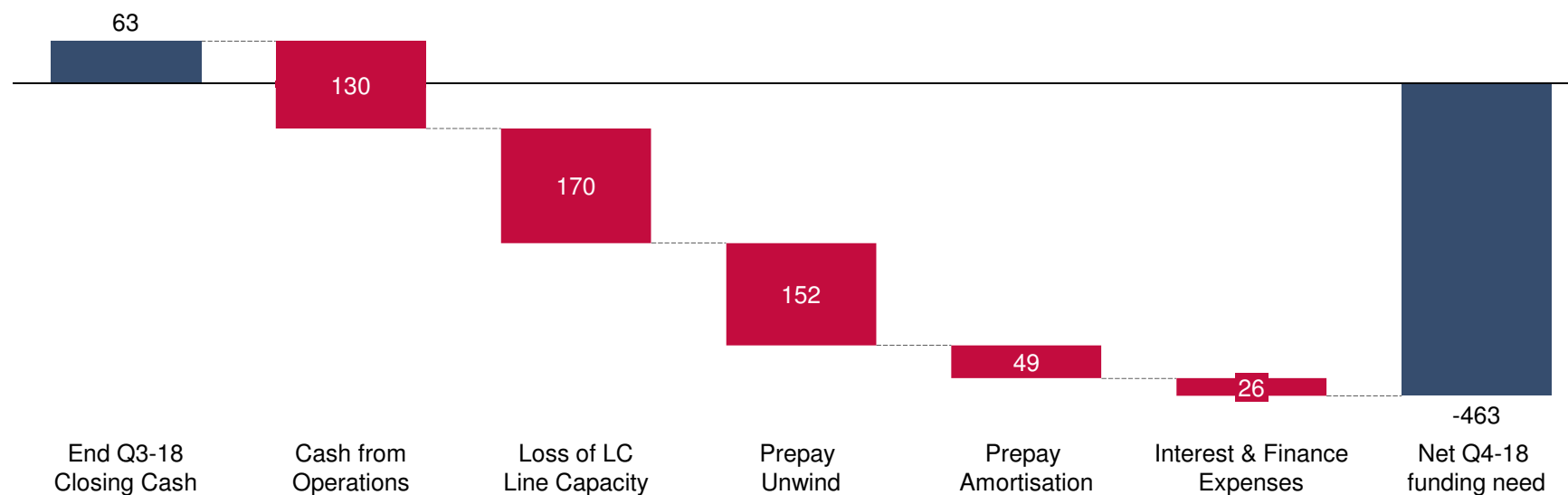
Board Actions Pre & Post Q3-18 Results

- The Board of Nyrstar recognised the continued challenges in the Company's trading performance, and potential vulnerabilities in its capital structure
- Mindful of the upcoming €340 million 2019 bond maturity, the Board proactively prepared the Company for contingencies, appointing Freshfields and Morgan Stanley as legal and financial advisers respectively in October 2018, and launching a capital structure review process
 - The review process, as publicly announced, included a recalibration of the business plan, further review of the liquidity forecast, legal review of all existing financial documents and implementation planning
 - The aim of the review process was to prepare a restructuring plan which would return the Company's capital structure to a sustainable form, should such a plan be required depending on the subsequent months' performance
- To increase the focus on the capital structure review process, the Board also formally established a separate Special Committee
- In the subsequent weeks, as a liquidity "run" materialized with the rapid withdrawal of uncommitted financing arrangements, the Special Committee also engaged Alvarez & Marsal to improve oversight of its short term liquidity forecast and to manage working capital more systematically
 - Mike Corner-Jones was appointed in November 2018 as the Chief Restructuring Officer to provide additional support to the Board in relation to the capital structure review process
- A protocol was established to better monitor the Company's cash receipts and payments, status of all financing arrangements including uncommitted ones, and the Board and Special Committee were held at increasing frequency

Q4-18: Liquidity

- The response to the Q3 2018 results was immediate and dramatic, with both share and bond prices plunging and credit ratings downgraded
- The uncommitted trade finance facilities, although not representing core indebtedness, were nonetheless crucial to support Nyrstar's liquidity
- Following the Q3 results and ratings downgrade, an increasing number of counterparties demanded immediate cancellation or cash collateralisation of their exposure to Nyrstar, and certain credit insurers stopped providing coverage for Nyrstar. Such events themselves motivated even more counterparties to seek to reduce their exposure to Nyrstar, resulting in a rapid "liquidity run"
- Within a short time following the results announcement, the Company was forced to contemplate an impending cash shortfall, which could have pushed the Group into a disorderly insolvency unless a solution was found in very short order

Q4-18 Funding Requirement (EUR in millions)



Background: Trafigura Relationship

- Prior to Q4 2018, Trafigura has been a significant shareholder following its support for our rights issue in 2016. In addition, Trafigura, as a leading metals trader represented a key operational counterparty and historically assisted Nyrstar with our working capital funding
- Trafigura made an initial investment in Nyrstar's equity to acquire a 10% equity interest, and subsequently 15.3% equity interest
- Trafigura participated fully in the February 2016 rights issue, and November 2017 private placement, which raised its overall equity stake to 24.42%
- As the largest shareholder, Trafigura nominated Christopher Cox and Jesús Fernandez Lopez as non-executive directors in 2015 and 2016 respectively
- In 2015, it had also entered into a Relationship Agreement with Nyrstar, which provided a framework for its operational interaction with Nyrstar
 - Under the terms of the agreement, Trafigura and Nyrstar entered into supplier and offtake contracts at arm's length basis, and Trafigura was given certain governance rights (including nomination right for directors constituting minority of the Board), with related party decisions made by the non-Trafigura affiliated directors of the board
- In addition, in May 2016, Trafigura provided Nyrstar with a \$150 million working capital facility, which was increased to \$250 million on a committed basis in January 2017
- Trafigura also supported Nyrstar's liquidity through certain supply / offtake payment terms, which were renewed periodically

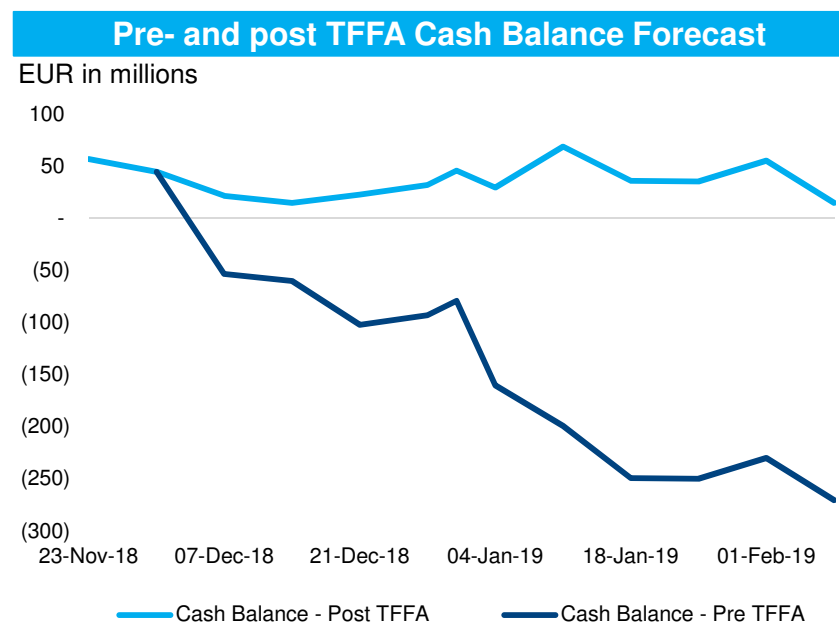
Q4-18: Background to TFFA

- Faced with an impending prospect of material cash shortfall and an imminent insolvency that would have resulted in substantial value destruction for all stakeholders, the Board considered all available sources of emergency funding, including from its existing stakeholders as well as third parties
- Aside from the Trade Finance Facility Agreement with Trafigura for \$650 million (TFFA), there were no other available options to avoid the insolvency of the Group. Funding from third parties or stakeholders who were not already familiar with the business was not possible, given:
 - The urgency of the funding requirement
 - Size of the funding requirement
 - Structural restrictions that the existing debt facilities imposed on the potential terms of the new funding and impracticality of obtaining any formal waivers from the existing creditors given the short timeframe
 - Constraints on the quality of information that could be provided, given the absence of revised business plan taking into account the underperformance in the second half of 2018
- In light of the above circumstances, the Company noted that Trafigura had:
 - Knowledge of the Company and its sector
 - Ability to structure the funding as additional working capital support (to be exempt from restrictions in the existing debt facilities)
 - Ability and willingness to invest very significant amount of new funds into the business in an unusually expedited manner

Q4-18: TFFA

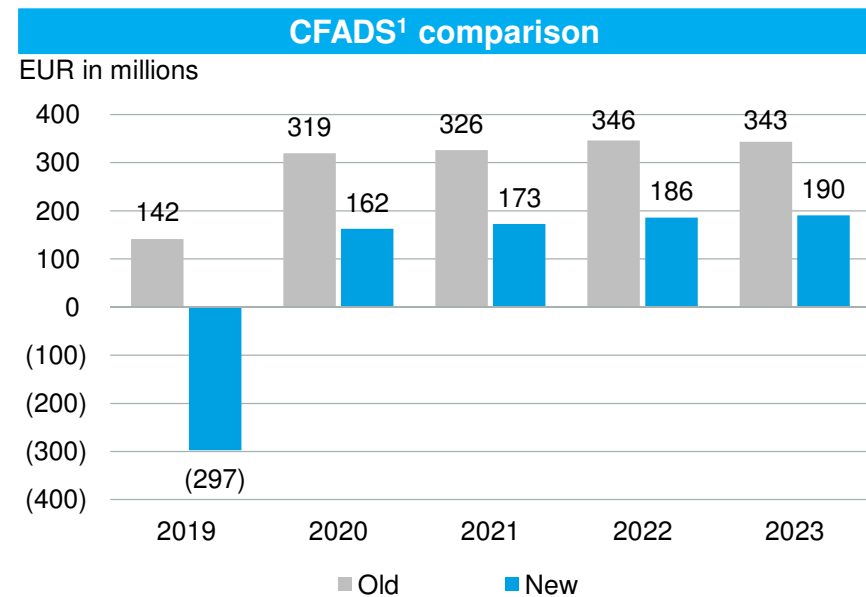
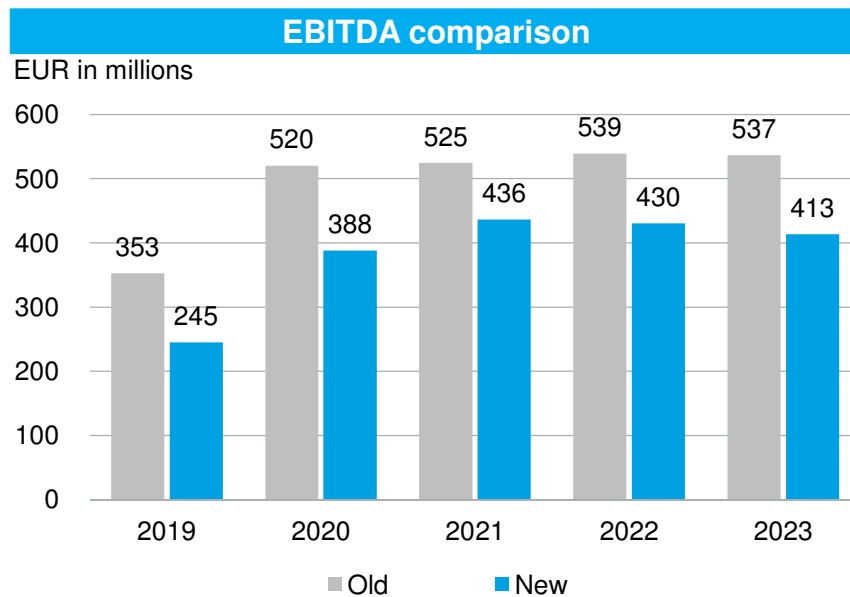
- On 6 December 2018, the Company announced that it entered into a \$650 million trade financing facility from Trafigura (“Trade Financing Framework Agreement”, or “TFFA”) to replace the \$250 million existing working capital facility
- Decision to enter into this facility was made by non-Trafigura affiliated directors, including an opinion provided by the independent directors advised by an independent third party, Grant Thornton, alongside an election to adopt the article 524 Belgian Companies Code procedure
- Entrance into the facility and key terms of it was promptly announced publicly
- In particular, the board members considered the latest liquidity forecast, which showed that entering into the facility would keep the Company sufficiently funded through the upcoming months to allow more fulsome financing negotiations to be held with our stakeholder groups

Summary TFFA terms	
Use of proceeds	<ul style="list-style-type: none"> • \$450 million prepayment tranche: financing rolling prepayments to Nyrstar Sales & Marketing (“NSM”) • \$200 million suppliers credit tranche: Concentrate purchases from Trafigura on open account terms and letters of credit for or on behalf of NSM
Security / guarantee	<ul style="list-style-type: none"> • Issued from NSM; guaranteed by the parent and significant operating subsidiaries • Comprehensive share pledges and asset securities, subject to restrictions from existing debt facilities / regulations
Costs	<ul style="list-style-type: none"> • Prepayment tranche: L+5% • Suppliers credit tranche: 6% • Certain other fees, including commitment fees on undrawn amounts applicable



Q1-19: Business Plan Process

- In parallel with putting in place emergency funding, the Company continued to progress on the capital structure review process, including a bottom up recalibration of the business plan
- The new business plan, finalised in February 2019, applied updated macro assumptions, Port Pirie metal recoveries, reduced transformation initiative gains and weaker operational assumptions for the mines, resulting in an aggregate reduction of the five year business plan EBITDA of €562 million
- The new plan affirmed the underlying viability of the Group, prior to the cash outflows from its current debt obligations. However, it also became apparent that the Company would be unable to support its full amount of outstanding indebtedness, required funding for working capital and capital expenditures



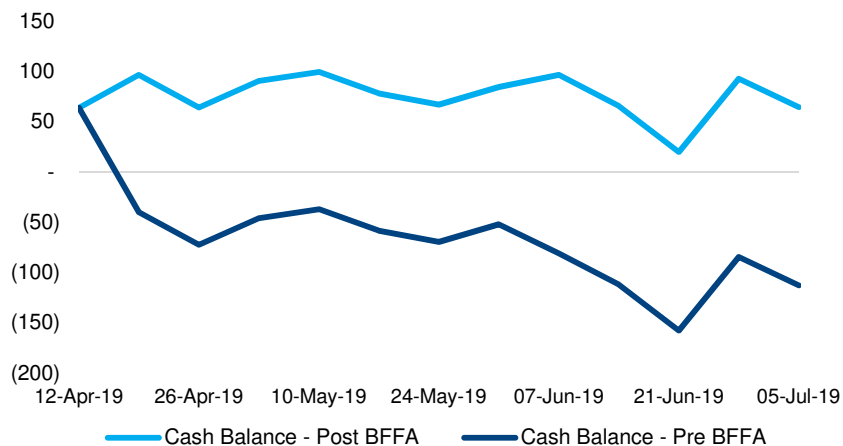
1. CFADS is cash flow after debt servicing. This is before capex and debt principal repayment

Q1/2-19: Restructuring Negotiations

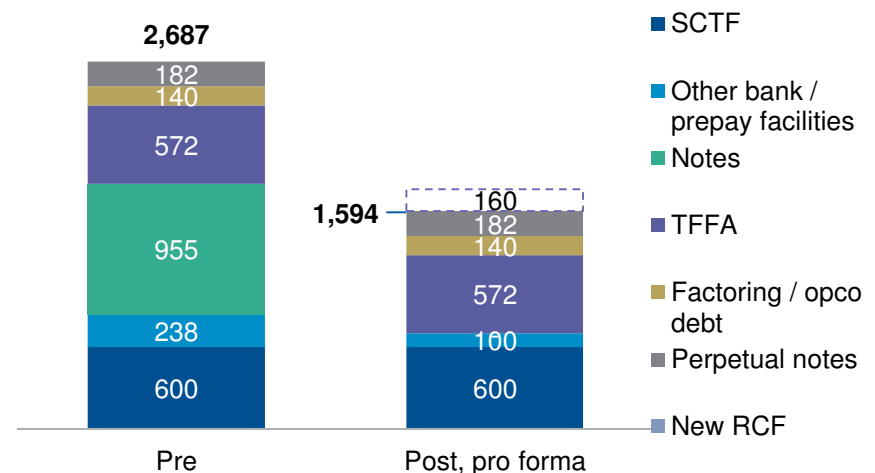
- Nyrstar’s liquidity continued to worsen at a faster pace than was anticipated at the time when it entered into the TFFA with Trafigura
 - The further deterioration in the liquidity profile was partly due to the greater-than-expected operational disruption from the Company’s measures to tighten working capital
 - A need for further bridge financing also arose as negotiations between creditor groups took longer than initially expected
- As the Company understood from key creditor groups, it became clear that in order to attract new funding required for the business, a very substantial reduction in our indebtedness was required, which, in turn, required consents from all relevant creditor groups

Pre- and post-BFFA¹ Cash Balance Forecast

EUR in millions



Pre- and post-transaction debt balances



1. BFFA is Bridge Finance Facility Agreement

Restructuring Principles

- Following intense negotiations amongst stakeholders, a restructuring framework was agreed amongst the creditors and Trafigura, including an additional investment of \$250 million in bridge financing from Trafigura, which would be put into the Group prior to the restructuring
- The terms of the restructuring were highly negotiated and are inter-conditional to each other; in particular, the new investment required significant impairment to be imposed on the Group's various debt facilities

Stakeholders	Treatment
SCTF lenders (borrowing base)	<ul style="list-style-type: none"> • 15c impairment to par; remaining amount extended at a lower cost • Recovery to be increased by up to 15c if providing new RCF • No upfront cash repayment
Unsecured bank lenders	<ul style="list-style-type: none"> • 65c impairment to par; remaining amount extended at a lower cost • Recovery to be increased by up to 12.5c if providing new RCF • No upfront cash repayment
Unsecured noteholders	<ul style="list-style-type: none"> • 40c+ impairment to par; remaining amount reinstated as new Trafigura instruments • No upfront cash repayment
Trafigura	<ul style="list-style-type: none"> • \$250 million new bridge financing ("BFFA") provided prior to restructuring completion – bridge financing to be equitised or subordinated at completion • \$650 million TFFA commitment to be extended for additional 5 years and release all security and guarantees thereunder • c.€568 million face value of new instruments issued to discharge the unsecured noteholders • Up to €13.5 million funding for Nyrstar NV post-Restructuring • Will provide corporate guarantee of the Reinstated SCTF, the Reinstated Unsecured Facilities and the New Money Facility • Will procure release of / indemnity for Nyrstar NV for all its known liabilities • 98% equity ownership of the restructured group in return

Trafigura's consideration for 98% of NN2 NewCo

- Trafigura will make a substantial investment to obtain a 98% stake in NN2 NewCo Ltd, the holding company for the historical assets and liabilities of Nyrstar NV
- The total consideration payable by Trafigura to obtain a 98% stake in NN2 NewCo Ltd is the assumption of €2.32 billion of debt instruments, comprising of:
 - €568 million face value of new instruments to be issued by Trafigura to replace the €955 million of unsecured notes (i.e. €340 million notes due in 2019, €115 million convertible bonds due 2022 and €500 million notes due 2024)
 - €1,594 million of post-transaction debt balances that will be within the Operating Group of companies owned by NN2 NewCo Ltd secured by a corporate guarantee issued by Trafigura
 - Up to €160 million of new third party RCF secured by a corporate guarantee issued by Trafigura
- The 98% stake reflects Trafigura's contribution of the new debt funding of \$900 million (TFFA and BFFA) and subsequent negotiation with the various creditor groups. The stake is unrelated to Trafigura's current 24.2% equity interest in Nyrstar NV which has suffered the same value loss as other shareholders

Restructuring Terms for the Shareholders

- The restructuring will allow the Company to continue to trade, without the overhang of unsustainable leverage which ultimately threatened the very survival of the business
- Without the material de-leveraging and new funding contemplated in the restructuring, the Group would be in an insolvency, which would cause much deeper loss across all stakeholder groups, and almost certainly no recovery for the shareholders
- The Board has sought to protect its shareholders' interests taking into account all other stakeholders
- Consequently, Nyrstar NV will retain a 2% equity stake in the restructured group, notwithstanding the prospect of no recovery for shareholders in an insolvency
- The Board understands that this will no doubt be a disappointing outcome for the current shareholders who have supported the business to date
- However, we believe this position has the potential to deliver value for shareholders and in particular note the following features:
 - Certain dividend protection and information rights, tag and drag rights
 - Put option in respect of the entirety of the 2% equity stake for a price of €20 million
 - Financial support in the form of a committed facility of €13.5 million provided for 5 years by NN2 NewCo Ltd

Restructuring Process

- NN2 Newco Ltd scheme of arrangement (the “NN2 Scheme”): (i) the two high yield notes (the 2019 notes and the 2024 notes), and (ii) the convertible notes (two scheme classes)
 - English Companies Act 2006 process including (i) two English Court hearings, and (ii) a scheme creditor meeting for each class to vote
 - Requires 75% by value representing over 50% in number of those creditors present voting in each class
 - Currently over 93% of the high yield notes (by value) and over 97% of the convertible notes (by value) are contractually bound to support the NN2 Scheme
 - If the NN2 Scheme is sanctioned by an English Judge and comes into effect, any minority bondholders or noteholders voting against or abstaining will be bound by the terms of the NN2 Scheme
- Envisaged scheme timetable
 - 20 June 2019: Practice Statement Letter published for the NN2 Scheme
 - 4 July 2019: First English Court Hearing (Convening Hearing)
 - 19 July 2019: Scheme meetings of the two classes
 - 23 July 2019: Second English Court Hearing (Sanction Hearing)
 - End July: Scheme fully effective
- Politus SPV lenders will also be restructured by a separate scheme of arrangement (the “Politus Scheme”)
 - The Politus Scheme does not directly involve Nyrstar and has a similar timetable to the NN2 Scheme
 - Well in excess of the required percentage of relevant creditors are contractually bound to support the Politus Scheme
- All other creditors being restructured are doing so by consent (i.e. no court process)
- NN2, Politus and other creditors’ restructurings are effectively inter-conditional
- Under the Belgian Companies Code there is no requirement for a shareholder vote on the restructuring

In summary

- Nyrstar has faced an unprecedented period of distress over the past nine months compounded by an overleveraged balance sheet due to large losses suffered on historical mining investments, heavy capital investments in recent years and a difficult macro environment
- In the interest of our more than 4,100 employees, shareholders, creditors, contractors, suppliers and customers, the Board has dedicated themselves tirelessly to avoid an insolvency of the Company which would have resulted in substantial value destruction for all parties, ensuring the ongoing operation of all the Nyrstar operations
- The restructuring avoids an insolvency of the Group, whereby any proceeds would go to secured debtholders in the first instance with an almost certain nil recovery for shareholders
- The liquidity for the Group remains extremely tight and the Board is working to implement the restructuring as quickly as possible so as to avoid the continued threat of insolvency

Written Shareholders' Questions



Questions from Shareholders



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Voting



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Agenda and Proposed Resolutions - Withdrawn





Martyn Konig
Executive Chairman