



Nyrstar NV

Statutory auditor's report on the statement of assets and liabilities as per 31 January 2020 in the context of the proposal for voluntary dissolution

The original text of this report is in Dutch

Table of content

1	DESCRIPTION OF THE MISSION	2
2	IDENTIFICATION OF THE PROPOSED TRANSACTION	3
3	DESCRIPTION OF THE STATEMENT OF ASSETS AND LIABILITIES	4
4	AUDIT ACTIVITIES PERFORMED	7
5	SUBSEQUENT EVENTS	8
6	CONCLUSION OF THE STATUTORY AUDITOR TO THE EXTRAORDINARY GENERAL MEETING OF NYRSTAR NV	9

1 Description of the mission

In the context of the proposal for the voluntary dissolution of Nyrstar NV (the "Company") and in accordance with article 2:71 of the Code of companies and associations ("CCA"), we hereby submit our report for the mission entrusted to us by the board of directors.

For this purpose we have audited the statement of assets and liabilities of the Company as per 31 January 2020, prepared under the responsibility of the board of directors of the Company, in accordance with the financial reporting framework applicable in Belgium. The statement of assets and liabilities has been prepared on a discontinuity basis and is attached as appendix to this report. Our audit included sample testing and control procedures which were considered necessary in the given circumstances, including an assessment of the Company's internal control system.

Our mission, in accordance with article 2:71 of the CCA, has been performed in accordance with the International Standards on Auditing (ISA) as applicable in Belgium and the applicable audit standard as issued by the Instituut van de Bedrijfsrevisoren / Réviseurs d'entreprises. Our responsibilities under those standards are described in the "Responsibilities of the statutory auditor for the audit of the statement of assets and liabilities" section of our report.



2 Identification of the proposed transaction

The Company has its registered office at Zinkstraat 1, 2490 Balen, Belgium. The Belgian company number is 0888.728.945.

The issued capital of the Company amounts to 114 134 761 EUR, represented by 109 873 001 shares, without any designation of a nominal value. The capital has been fully placed and paid.

According to the transparency declarations received by the Company at the date of this report, the shareholders are:

Shareholders	Amount of shares
Urion Holdings (Malta) Ltd, a subsidiary of Trafigura B.V.	26 830 662
Kris Vansanten	5 502 155
Free float	77 540 184
Total	109 873 001

During the extraordinary shareholders' meeting, due to be held on 25 March 2020, the board of directors will invite the shareholders to resolve on the voluntary dissolution of the Company. This proposal is motivated as follows:

"Following the completion on 27 September 2019 of its audited statutory annual accounts in respect of the financial year ended on 31 December 2018, which reflected the impairment in the value of the Company's participations in all of its subsidiaries (the "Operating Group") as a result of the Restructuring of the Company and the Operating Group that was completed on 31 July 2019 (the "Restructuring"), as further explained in the 633 Report (defined hereinafter), the board of directors convened an extraordinary shareholders' meeting in accordance with former article 633 BCC (current article 7:228 CCA) on 5 November 2019 (the "First EGM"), with among others the following items on the agenda:

1. *Special report*
2. *Deliberation on proposal of the board of directors to continue the operations of the Company*
3. *Absorption of losses through a decrease of legal reserve, issue premiums and share capital*

Former article 633 BCC (current article 7:228 CCA) provides that if, as a result of a loss, the net assets have fallen below one-half of the share capital of a company, the general meeting must, unless more stringent provisions are included in the articles of association, convene within no more than a two-month period after the loss has been established or should have been established in order to deliberate and resolve on the dissolution of the company and possibly on other measures announced in the agenda. Article 633 BCC (current article 7:228 CCA) provides further that the same obligation applies if, as a result of a loss, the net assets of a company have fallen below one quarter of the share capital, provided that the dissolution of the company shall then take place when approved by one quarter of the votes cast at the meeting. Considering that the audited statutory annual accounts of the Company for the financial year that ended on 31 December 2018 showed that, as a result of losses, the Company's net assets (i.e., EUR 12,424,467.77) had fallen below one quarter of the Company's share capital (i.e., EUR 114,134,760.97), the board of directors prepared a special report issued on 3 October 2019 in accordance with former article 633 BCC (current article 7:228 CCA) which set out the proposal to continue the activities of the Company (the "633 Report").

Following the First EGM, at which the required attendance quorum was not reached, the shareholders disapproved the board of director's proposal to continue the activities of the Company at the second extraordinary shareholders' meeting of 9 December 2019 (the "Second EGM"), with the exact same agenda items 1 to 3 of the First EGM. In order to implement the decisions taken by the Second EGM in the context of the alarm bell procedure in accordance with former article 633 BCC (current article 7:228 CCA), the board of directors now proposes, in accordance with article 2:71 CCA, to deliberate and decide on the voluntary dissolution and liquidation of the Company."

3 Description of the statement of assets and liabilities

The statement of assets and liabilities as per 31 January 2020 in appendix has been prepared based on the principles of discontinuity, as prescribed by article 2:71 of the CCA. The choices made by the board of directors in selecting the valuation rules have been disclosed in annex to the statement of assets and liabilities as per 31 January 2020. The annual accounts for the year ended 31 December 2019 were also prepared on the principles of discontinuity, therefore the board of directors did not include a comparison with a statement of assets and liabilities prepared on a going concern basis.

As per 31 January 2020, the net assets of Nyrstar NV were composed as follows:

Assets	EUR
Financial fixed assets	1
Amounts receivable within one year	207 458
Other investments	15 395 000
Cash at bank and in hand	1 889 351
Deferred charges and accrued income	146 438
Total	17 638 247
Liabilities	EUR
Provisions for liabilities and charges	2 025 833
Financial debts within one year	3 700 000
Trade debts and other payables within one year	920 941
Accrued charges and deferred income	3 819
Total	6 650 593
Net assets	10 987 655

A summary of the valuation rules and other disclosures were added in annex to the statement of assets and liabilities as per 31 January 2020.

3.1 Assets

We herewith provide a description of the assets of the Company as of 31 January 2020:

- The financial fixed assets relate to the 100% investment in NN1 Newco Limited at a bookvalue of 1 EUR.
- The amounts receivable within one year for an amount of 207 458 EUR consist of recoverable VAT from the Belgian VAT authorities (136 408 EUR) and a bank check to be collected (62 704 EUR).
- Other investments consist of the 2% investment in NN2 Newco Limited ("NN2"), the holding company of all (previous) subsidiaries of the Company, with a book value of 15 395 000 EUR. Trafigura Group Pte. Ltd. is the ultimate parent company of NN2 and owns the remaining 98% of NN2. The 2% investment in NN2 is valued at the lower of cost or the probable realization value, taking into account the fact that the Company has a put option allowing it to sell its 2% investment in NN2 entirely (but not partially) to an affiliated entity of Trafigura Group Pte. Ltd. at a total price of 20 000 000 EUR. The related party disclosure in note C6.20 to the statement of assets and liabilities includes further information regarding the terms and conditions of the put option. The investment is classified as current as the Company assumes it may exercise the put option in 2020.
- Cash and cash equivalents for an amount of 1 889 351 EUR mainly consist of current accounts with various credit institutions.
- Deferred charges and accrued income consist of deferred costs for an amount of 146 437 EUR and mainly relate to prepaid insurance costs.

3.2 Liabilities

We herewith provide a description of the liabilities of the Company as of 31 January 2020:

- Provisions for liabilities and charges mainly consist of the provision for liquidation costs for an amount of 1 998 048 EUR, being the estimated costs that the Company expects to incur prior to the completion of the liquidation. As disclosed in the valuation rules in note C6.19 to the statement of assets and liabilities, the provision has been set up under the assumption of an orderly liquidation process that would be finalized before the end of 2020. Should the liquidation process take longer, e.g. due to any potential legal or regulatory actions, the estimated costs to be incurred would be significantly higher, and would as a consequence further decrease the net assets of the Company as of 31 January 2020.
- Financial debt consist of the 3 700 000 EUR drawn by the Company on the Limited Recourse Loan Facility provided to the Company by NN2. The Company has fully drawn the amount available for the first year of the Limited Recourse Loan Facility as at 31 January 2020. As of 1 August 2020 the Company can draw another 1 200 000 EUR for the funding of the ongoing ordinary operating activities. The related party disclosure in note C6.20 to the statement of assets and liabilities includes further information regarding the terms and conditions of this facility.
- Trade and other payables within one year consist of trade debts for an amount of 772 747 EUR, debts relating to taxes, remuneration and social security charges for the directors of the Company of 64 667 EUR and other debts of 83 527 EUR representing the remaining liability related to the repayment of restricted cash to the previous subsidiaries of the Company.
- Accrued charges and deferred income consist of accrued interest for a total amount of 3 819 EUR on the outstanding financial debt (drawing from the Limited Recourse Loan Facility).

3.3 Net Assets

The net assets or equity of the Company consists of the issued capital of 114 134 761 EUR, the share premiums of 1 216 395 875 EUR, legal reserves of 16 257 028 EUR and a loss carried forward for an amount of 1 335 800 010 EUR. As a result the net assets amount to 10 987 654 EUR at 31 January 2020. The result of the month of January 2020 is nil given the Company already recorded a provision for liquidation costs in the annual accounts as at 31 December 2019.

As already stated above, should the liquidation process not be finalized by the end of 2020, e.g. due to any potential legal or regulatory actions, the estimated costs to be incurred would be significantly higher than the provision for liquidation costs currently reflected in the statement of assets and liabilities. The Company has neither reflected a provision in relation to potential legal or regulatory actions. These would as a consequence further decrease the net assets of the Company subsequent to 31 January 2020.

3.4 Other disclosures

In addition to the valuation rules, the statement of assets and liabilities at 31 January 2020 also includes a number of other disclosures relating to the available liquidity, related parties and other rights and commitments not reflected in the statement of assets and liabilities. The Company has outstanding guarantees towards third parties amounting to 238 011 544 EUR that have not yet been released as per 31 January 2020 but for which the Company would be indemnified by NN2 based upon the contractual agreements signed in the context of the restructuring.

4 Audit activities performed

We have audited the statement of assets and liabilities of the Company in order to verify whether it allows the shareholders to obtain a view on the net assets of the Company as at 31 January 2020, considering the inevitable uncertain nature of the prospects of the assets in the given context.

The objective of this mission thus has a different nature than the objective of an audit of the annual accounts, which is intended to inform the shareholders on the net equity, financial position and results of the Company.

During the performance of this mission, we have based ourselves on the work performed in the context of our mandate as statutory auditor for the audit of the annual accounts of the Company for the year ended 31 December 2019 and on our statutory auditor's report to the shareholders' meeting on those annual accounts dated 12 February 2020. A qualified opinion was issued on these annual accounts as we were unable to obtain sufficient and appropriate audit evidence as to the completeness of the information received regarding the related party transactions and disclosures for the relationship with Trafigura Group Pte. Ltd. and its affiliated entities (collectively "Trafigura") as well as to the completeness of information on the sequence of events initiated in October 2018 that have resulted in the review of the capital structure of the Company and its subsidiaries (jointly the "Group" until 31 July 2019) (the "Capital Structure Review").

Particular attention was given to the valuation rules applied when establishing the statement of assets and liabilities as at 31 January 2020 and to the value adjustments made in the statement of assets and liabilities in application of the principles of discontinuity in accordance with article 3:6 of the Royal Decree of 29 April 2019 executing the CCA. Given the fact that the principles of discontinuity were already applied to the annual accounts for the year ended 31 December 2019, we were able for this mission to rely on our work done in the context of our mandate as statutory auditor for these annual accounts.

We have also verified whether the legal and regulatory requirements relating to keeping the accounts have been respected.

5 Subsequent events

At the date of this report, we are not aware of significant events that have occurred since 31 January 2020, this being the date of the statement of assets and liabilities, which may have a material impact on the statement of assets and liabilities or on the forecasts of the dissolution.

6 Conclusion of the statutory auditor to the extraordinary general meeting of Nyrstar NV

In accordance with article 2:71 of the CCA, we report to the extraordinary shareholders' meeting in the context of our mandate as statutory auditor for which we were appointed on 11 February 2020.

Report on the statement of assets and liabilities

Qualified opinion

We have audited the attached statement of assets and liabilities as per 31 January 2020, which was prepared in accordance with the financial reporting framework applicable in Belgium.

With the exception of the possible effects that could be caused by the matter described in the "Basis for qualified opinion" section of our report, the statement of assets and liabilities established on the principles of discontinuity showing total assets of 17 638 (000) EUR and a net equity of 10 988 (000) EUR, gives a true and fair view of the financial position of Nyrstar NV as of 31 January 2020 in accordance with the financial reporting framework applicable in Belgium, to the extent that the projections of the board of directors will be successfully realized by the liquidator.

Basis for qualified opinion

With respect to the financial years ended 31 December 2018 and 2019, we were unable to obtain sufficient and appropriate audit evidence as to the completeness of the information received regarding the related party transactions and disclosures for the relationship with Trafigura Group Pte. Ltd. and its affiliated entities (collectively "Trafigura") as well as to the completeness of information on the sequence of events initiated in October 2018 which have resulted in the review of the capital structure of the Company and its subsidiaries (jointly the "Group" until 31 July 2019) (the "Capital Structure Review") as a result of the combined effect of the following elements:

- the exceptional nature of the operational and financial circumstances the Group had been facing resulting in the Capital Structure Review initiated in October 2018 and the following restructuring activities concluded on 31 July 2019 ("Restructuring") with Trafigura becoming the owner of 98% of all of the subsidiaries of the Company (excluding a newly incorporated English company, NN1 Newco Limited) (the "Operating Group") and the highly fluid nature of decision making during this time;
- the significance and quantum of the related party transactions entered into by the Group; as well as
- control deficiencies identified in relation to the financial reporting environment, including but not limited to complete and accurate recordkeeping of discussions held at meetings of the board of directors and relevant special or ad hoc sub-committees.

The elements listed above arose during the year ended 31 December 2018 and continued to exist during the year ended 31 December 2019 on which we have issued a report on 12 February 2020. As a result, a risk exists that the statement of assets and liabilities as per 31 January 2020 may omit information relevant to the related party disclosure on the relationship with Trafigura and on the sequence of events that have resulted in the Capital Structure Review and the Restructuring as disclosed in the related party disclosure in note C6.20 to the statement of assets and liabilities as per 31 January 2020.

Other responsibilities

We conducted our audit in accordance with the the International Standards on Auditing (ISA) as applicable in Belgium and the applicable audit standard as issued by the Instituut van de Bedrijfsrevisoren / Réviseurs d'entreprises. In addition, we have also applied the International Standards on Auditing approved by the IAASB and applicable to the current financial year, but not yet endorsed at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the statement of assets and liabilities" section of our report. We have complied with all ethical requirements relevant to the audit engagement in Belgium, including those regarding independence.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw attention to the valuation rules in note C6.19 to the statement of assets and liabilities as per 31 January 2020 which indicate that should the liquidation process not be finalized by the end of 2020, e.g. due to any potential legal or regulatory actions, the estimated costs to be incurred would be significantly higher than the provision for liquidation costs currently reflected in the statement of assets and liabilities. The Company has neither reflected a provision in relation to potential legal or regulatory actions. These would as a consequence further decrease the net assets of the Company subsequent to 31 January 2020.

In addition and as described in note C6.20 to the statement of assets and liabilities as per 31 January 2020, the Company's ability to meet its future obligations is dependent on existing financing facilities (the "Limited Recourse Loan Facility") and its ability to exercise the put option that enables the Company to sell its 2% investment in NN2.

Responsibilities of the board of directors for the preparation of the statement of assets and liabilities

The board of directors is responsible for the preparation and fair presentation of the statement of assets and liabilities as per 31 January 2020 in accordance with the financial reporting framework applicable in Belgium. The board of directors must establish this statement of assets and liabilities of the Company, at the latest three months before the extraordinary shareholders' meeting that will be convened to decide on the proposal for voluntary dissolution.

As a result of the proposal for the voluntary dissolution of the Company, the statement of assets and liabilities as per 31 January 2020 has been prepared on a discontinuity basis. In this context, it is the responsibility of the board of directors to include the necessary disclosures regarding the impact of the discontinuity basis and to apply the provisions of article 3:6, §2 of the Royal Decree of 29 April 2019 in execution of the CCA.

Responsibilities of the statutory auditor for the audit of the statement of assets and liabilities

Our objectives are to obtain reasonable assurance about whether the statement of assets and liabilities as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of assets and liabilities.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the statement of assets and liabilities, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the board of directors use of the discontinuity basis and the adequacy of relating disclosures, considering the proposal for the voluntary dissolution of the Company; and
- evaluate the overall presentation, structure and content of the statement of assets and liabilities, and whether the statement of assets and liabilities represent the underlying transactions and events in a manner that achieves fair presentation.

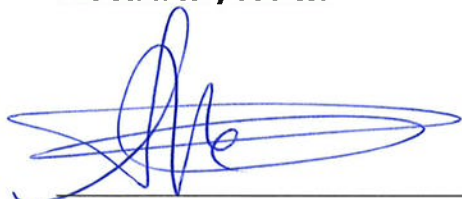
We communicate with the board of directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restrictions to the use of this report

This report is issued solely in application of article 2:71 of the CCA and can not be used for any other purposes.

Antwerp, 21 February 2020

The statutory auditor



Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL

Represented by Ine Nuyts

- Appendices:
- Report of the board of directors per 21 February 2020
 - Statement of assets and liabilities per 31 January 2020

Deloitte.

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LIMITED LIABILITY COMPANY ("NAAMLOZE VENNOOTSCHAP")
Registered Office: Zinkstraat 1, 2490 Balen, Belgium
Company Number VAT BE 0888.728.945 RPR/RPM Antwerp, division Turnhout

**SPECIAL BOARD REPORT OF THE BOARD OF DIRECTORS
IN ACCORDANCE WITH ARTICLE 2:71 OF THE BELGIAN CODE ON COMPANIES AND
ASSOCIATIONS**
issued on 21 February 2020

In accordance with Article 2:71 of the Belgian Code on Companies and Associations ("**BCCA**"), the board of directors (the "**Board**") of Nyrstar NV (the "**Company**") has unanimously adopted the following report which will be submitted to the extraordinary general meeting of shareholders to be held on 25 March 2020 (the "**Extraordinary General Meeting**") with the following items on the agenda:

1. Reports

1.1. Submission of the special report of the Board of Directors in accordance with Article 2:71, §2, first paragraph of the Belgian Code of Companies and Associations in relation to the proposal to approve the dissolution and liquidation of the Company, as set out below in item 2 of the agenda, to which a statement of assets and liabilities of the Company is attached as at 31 January 2020.

1.2. Submission of the report of statutory auditor in accordance with Article 2:71, §2, third paragraph of the Belgian Code of Companies and Associations in relation to the above-mentioned under 1.1. statement of assets and liabilities attached to the special report of the Board of Directors.

2. Voluntary dissolution of the Company
3. Acknowledgment of end of the mandate of directors of the Company
4. Appointment of a liquidator and determination of competencies and remuneration
5. Powers of attorney

Introduction

On 9 December 2019 the Company held an extraordinary shareholders' meeting which had to deliberate on the continuation of the Company's activities and a proposed capital decrease in accordance with article 633 of the Belgian Companies Code ("**BCC**") (which was the then applicable provision). Such extraordinary shareholders' meeting did not approve the continuation of the Company's activities. In accordance with Article 2:71 BCCA, the Board therefore has convened the Extraordinary General Meeting to decide on the dissolution and liquidation of the Company. In preparation for the Extraordinary General Meeting, the Board has prepared this special report in accordance with Article 2:71 BCCA in which it explains the proposal to dissolve the Company (the "**Report**").

Background to the proposed dissolution

Following the completion on 27 September 2019 of its audited statutory annual accounts in respect of the financial year ended on 31 December 2018, which reflected the impairment in the value of the Company's participations in all of its subsidiaries (the "**Operating Group**") as a result of the Restructuring of the Company and the Operating Group that was completed on 31 July 2019 (the "**Restructuring**"), as further explained in the 633 Report (defined hereinafter), the Board convened an extraordinary shareholders' meeting in accordance with former article 633 BCC (current article 7:228 BCCA) on 5 November 2019 (the "**First EGM**"), with among others the following items on the agenda:

1. Special report
2. Deliberation on proposal of the Board of Directors to continue the operations of the Company
3. Absorption of losses through a decrease of legal reserve, issue premiums and share capital

Former article 633 BCC (current article 7:228 BCCA) provides that if, as a result of a loss, the net assets have fallen below one-half of the share capital of a company, the general meeting must, unless more stringent provisions are included in the articles of association, convene within no more than a two-month period after the loss has been established or should have been established in order to deliberate and resolve on the dissolution of the company and possibly on other measures announced in the agenda. Article 633 BCC (current article 7:228 BCCA) provides further that the same obligation applies if, as a result of a loss, the net assets of a company have fallen below one quarter of the share capital, provided that the dissolution of the company shall then take place when approved by one quarter of the votes cast at the meeting. Considering that the audited statutory annual accounts of the Company for the financial year that ended on 31 December 2018 showed that, as a result of losses, the Company's net assets (*i.e.*, EUR 12,424,467.77) had fallen below one quarter of the Company's share capital (*i.e.*, EUR 114,134,760.97), the Board prepared a special report issued on 3 October 2019 in accordance with former Article 633 BCC (current article 7:228 BCCA) which set out the proposal to continue the activities of the Company (the "**633 Report**").

Following the First EGM, at which the required attendance quorum was not reached, the shareholders disapproved the Board's proposal to continue the activities of the Company at the second extraordinary shareholders' meeting of 9 December 2019 (the "**Second EGM**"), with the exact same agenda items 1 to 3 of the First EGM. In order to implement the decisions taken by the Second EGM in the context of the alarm bell procedure in accordance with former article 633 BCC (current article 7:228 BCCA), the Board now proposes, in accordance with article 2:71 BCCA, to deliberate and decide on the voluntary dissolution and liquidation of the Company. In accordance with Article 2:71 BCCA and Article 3:6, §2 of the Royal Decree implementing the BCCA, a statement of assets and liabilities of the Company as at 31 January 2020, which is not older than three months before the date of the Extraordinary General Meeting, is attached hereto as Schedule 1.

As at 31 January 2020, the Company's assets, liabilities and other disclosures consisted of:

1. Assets

1.1 Fixed assets:

- 100% investment in NN1 NewCo Limited with a carrying value for EUR 0.88.

1.2 Current assets:

- 2% interest in NN2 NewCo Limited ("**NN2**") with a carrying value for EUR 15,395,000.00. The Company has a put option to sell all (but not part only) of its 2% holding in NN2 to Trafigura at a price equal to EUR 20 million in aggregate payable to the Company. This put option can be exercised by the Company between six months and three years of Trafigura or any member of the Trafigura Group becoming a parent company of NN2 or the Operating Group (*i.e.* between 1 February 2020 and 31 July 2022), subject to limited triggers allowing earlier exercise of the put option before six months or earlier termination of the put option before three years. If the put option is exercised, it would generate a gain on a sale of the investment given the strike price of the put option exceeds the carrying value of the investment.

- Amounts receivable of EUR 207,457.83 mainly related to VAT outstanding at 31 January 2020
- Cash at bank and in hand of EUR 1,889,350.88
- Deferred charges and accrued income of EUR 146,437.87 consisting primarily of prepaid insurance and the Euronext fees

2. Equity and Liabilities

- Equity, that equals net assets, consist of:
 - o Issued capital of EUR 114,134,760.97
 - o Share premium accounts of EUR 1,216,395,875.47
 - o Legal reserves of EUR 16,257,028.06
 - o Accumulated losses of EUR 1,335,800,009.81
- Provisions for liabilities and charges of EUR 2,025,832.84 representing estimated costs that the Company expects to incur before the completion of the liquidation. At 31 January 2020 the Company recognised a provision for discontinuation of EUR 2.0 million representing the estimated costs that the Company expects to incur before the completion of an orderly liquidation process that would be finalised before the end of 2020. Should the liquidation process take longer, e.g. due to the potential legal or regulatory actions, the estimated costs to be incurred by the Company before the completion of the liquidation would be significantly higher. Assuming the completion of the liquidation between the end of 2024 and 2029 the Company would need to incur estimated costs between EUR 11 million and 20 million, which may require the Company to obtain additional funding beyond the proceeds from the exercise of the EUR 20 million put option and the repayment of the outstanding amount drawn on the Limited Recourse Loan Facility from the put option proceeds. These additional costs in excess of the provision of EUR 2.0 million recognised at 31 January 2020 would further decrease the equity of the Company subsequent to 31 January 2020
- Other loans consists of EUR 3,700,000.00 drawn by the Company at 31 January 2020 on the Limited Recourse Loan Facility provided to the Company by NN2. The Loan is classified as current as the Company assumes it may exercise its EUR 20 million put option in 2020 and from the proceeds of the put option will have to repay the outstanding amount drawn on the Limited Recourse Loan Facility. For further details refer to Other information to disclose, section Related party disclosures of the 31 January 2020 Statement of assets and liabilities included in Schedule 1 of this Report
- Liabilities to suppliers of EUR 772,747.09 related primarily to the 2019 audit fees and the legal advisory fees
- Liabilities for taxes, remuneration and social security of EUR 64,666.99
- Other amounts payable of EUR 83,526.67 representing a liability payable to the former subsidiaries of the Company
- Accrued charges and deferred income of EUR 3,819.18 representing accrued interest on the Limited Recourse Loan Facility

3. Other disclosures

- Until 31 July 2019 the Company was the holding company of the Operating Group (consisting of the Company and its subsidiaries). At 31 July 2019, when the Restructuring of the Company and the Operating Group was finalised (refer to the 31 December 2019 financial statements for the details), the Company was 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 (all former subsidiaries of the Company excluding NN1 NewCo Limited) (or indemnified by NN2 to the extent such guarantee liabilities are not released). The disclosed amount of EUR 238.0 million represents the parent company guarantees to third parties that have not yet been released per 31 January 2020 for which the Company is indemnified.
- There have been various press reports in Q4 2019 and in January 2020 related to potential legal or regulatory actions by minority shareholders. The press reported in Q4 2019 that three criminal complaints have been lodged by three shareholders against unknown person and in January 2020 that the minority shareholders would shortly initiate the complaints on the merit related to the Company's Restructuring. There has not been any formal notification to the Company or any director, or detail provided in relation to these alleged criminal complaints or

actions. Additionally, the Company is also aware of press coverage from Q4 2019 where it was stated by the Belgian securities regulator, the FSMA, that it was conducting a regulatory investigation into the Company. The Company has not been formally advised of this or any other regulatory investigation into the Company. As such, no provision has been recognised in relation to these matters at 31 January 2020.

The valuation rules applied in the 31 January 2020 Statement of assets and liabilities are disclosed in the section Valuation rules of the 31 January 2020 Statement of assets and liabilities included in Schedule 1 of this Report. The Company expects that on the basis of the Statement of assets and liabilities as at 31 January 2020 this will be a solvent liquidation

The statutory auditor of the Company, Deloitte Bedrijfsrevisoren/réviseurs d'Entreprises CVBA/SCRL, having its registered office at Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem, represented by auditor Ms Ine Nuyts, has audited the statement of assets and liabilities of the Company as at 31 January 2020, attached as Schedule 1, and reported thereon in application of Article 2:71, §2 (3) BCCA.

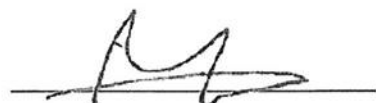
Conclusion

In view of the decision taken by the extraordinary general shareholders' meeting of the Company held on 9 December 2019, the Board now invites the Extraordinary Shareholders' Meeting to deliberate and, in the scope of Article 2:71 BCCA, resolve upon the dissolution and liquidation of the Company.


This report and the statutory audit report of the Company are referred to in the agenda for the Extraordinary General Meeting and are available at the registered office of the Company and available for shareholders during the period of 30 days before the Extraordinary General Meeting, as well as on the Company website (www.nyrstar.be) during the period of 30 days prior to the Extraordinary General Meeting and until the end of the five-year period from the date of the Extraordinary General Meeting.

Done at Brussels, on 21 February 2020.

On behalf of the Board of Directors of Nyrstar NV,



Martyn Konig
Chairman



Jane Moriarty
Director

Free English translation for information purposes only

SCHEDULE 1

Statement of assets and liabilities as at 31 January 2020

[See the document attached]

NYRSTAR NV

STATEMENT OF ASSETS AND LIABILITIES 31.01.2020

TABLE OF CONTENTS:

C3.1: Assets

C3.2: Liabilities

C6.19: Valuation Rules

C6.20: Other disclosures

EXPLANATORY NOTES

“Period” = 31 January 2020

“Previous period” = 31 December 2019

ANNUAL ACCOUNTS

BALANCE SHEET AFTER APPROPRIATION

	Notes	Codes	Period	Previous period
ASSETS				
FORMATION EXPENSES	6.1	20		
FIXED ASSETS		21/28	0,88	50.000,88
Intangible fixed assets	6.2	21		
Tangible fixed assets	6.3	22/27		
Land and buildings		22		
Plant, machinery and equipment		23		
Furniture and vehicles		24		
Leasing and other rights		25		
Other tangible fixed assets		26		
Tangible assets under construction and advance payments made		27		
Financial fixed assets	6.4 / 6.5.1	28	0,88	50.000,88
Affiliated enterprises	6.15	280/1	0,88	0,88
Participating interests		280	0,88	0,88
Amounts receivable		281		
Other enterprises linked by participating interests	6.15	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial assets		284/8		50.000,00
Shares		284		
Amounts receivable and cash guarantees		285/8		50.000,00

	Notes	Codes	Period	Previous period
CURRENT ASSETS		29/58	<u>17.638.246,58</u>	<u>17.148.936,52</u>
Amounts receivable after more than one year		29		
Trade debtors		290		
Other amounts receivable		291		
Stocks and contracts in progress		3		
Stocks		30/36		
Raw materials and consumables		30/31		
Work in progress		32		
Finished goods		33		
Goods purchased for resale		34		
Immovable property intended for sale		35		
Advance payments		36		
Contracts in progress		37		
Amounts receivable within one year		40/41	207.457,83	344.345,34
Trade debtors		40		
Other amounts receivable		41	207.457,83	344.345,34
Current investments	6.5.1 / 6.6	50/53	15.395.000,00	15.395.000,00
Own shares		50		
Other investments and deposits		51/53	15.395.000,00	15.395.000,00
Cash at bank and in hand		54/58	1.889.350,88	1.274.246,37
Deferred charges and accrued income	6.6	490/1	146.437,87	135.344,81
TOTAL ASSETS		20/58	17.638.247,46	17.198.937,40

	Notes	Codes	Period	Previous period
EQUITY AND LIABILITIES				
EQUITY		10/15	10.987.654,69	10.987.654,69
Capital	6.7.1	10	114.134.760,97	114.134.760,97
Issued capital		100	114.134.760,97	114.134.760,97
Uncalled capital ⁴		101		
Share premium account		11	1.216.395.875,47	1.216.395.875,47
Revaluation surpluses		12		
Reserves		13	16.257.028,06	16.257.028,06
Legal reserve		130	16.257.028,06	16.257.028,06
Reserves not available		131		
In respect of own shares held		1310		
Others		1311		
Untaxed reserves		132		
Available reserves		133		
Accumulated profits (losses)(+)/(-)		14	-1.335.800.009,81	-1.335.800.009,81
Investment grants		15		
Advance to associates on the sharing out of the assets ⁵		19		
PROVISIONS AND DEFERRED TAXES		16	2.025.832,84	2.327.785,00
Provisions for liabilities and charges		160/5	2.025.832,84	2.327.785,00
Pensions and similar obligations		160		
Taxation		161		
Major repairs and maintenance		162		
Environmental liabilities		163		
Other risks and costs	6.8	164/5	2.025.832,84	2.327.785,00
Deferred taxes		168		

⁴ Amount to be deducted from the issued capital.
⁵ Amount to be deducted from the other components of equity.

	Notes	Codes	Period	Previous period
AMOUNTS PAYABLE		17/49	<u>4.624.759,93</u>	<u>3.883.497,71</u>
Amounts payable after more than one year	6.9	17		
Financial debts		170/4		
Subordinated loans		170		
Unsubordinated debentures		171		
Leasing and other similar obligations		172		
Credit institutions		173		
Other loans		174		
Trade debts		175		
Suppliers		1750		
Bills of exchange payable		1751		
Advances received on contracts in progress		176		
Other amounts payable		178/9		
Amounts payable within one year	6.9	42/48	4.620.940,75	3.881.031,95
Current portion of amounts payable after more than one year falling due within one year		42		
Financial debts		43	3.700.000,00	3.000.000,00
Credit institutions		430/8		
Other loans		439	3.700.000,00	3.000.000,00
Trade debts		44	772.747,09	756.917,15
Suppliers		440/4	772.747,09	756.917,15
Bills of exchange payable		441		
Advances received on contracts in progress		46		
Taxes, remuneration and social security	6.9	45	64.666,99	40.588,13
Taxes		450/3	42.278,03	15.970,53
Remuneration and social security		454/9	22.388,96	24.617,60
Other amounts payable		47/48	83.526,67	83.526,67
Accrued charges and deferred income	6.9	492/3	3.819,18	2.465,76
TOTAL LIABILITIES		10/49	17.638.247,46	17.198.937,40

VALUATION RULES

VALUATION RULES

Valuation rules Nyrstar NV (the "Company")

General:

The valuation rules are drafted in accordance with the provisions of the Royal Decree dd. 29 April 2019 to the execution of the Belgian Code of Companies and Associations relating to valuation rules. As a consequence of the Restructuring and the outcome of the 9 December 2019 Extraordinary General Meeting ("EGM"), where the shareholders rejected the continuation of the Company's activities, and subject to the outcome of the upcoming new EGM of 25 March 2020, the Company's intention is not to continue its activities. The Board of Directors of the Company has taken the necessary measures to prepare the necessary reports (Statement of assets and liabilities and the Board report in accordance with article 2:71 of the Belgian Code of Companies and Associations) and has convened a new extraordinary shareholders' meeting to formally decide on the dissolution of the Company, and if approved, appoint a liquidator. As such, the 31 January 2020 Statement of assets and liabilities of the Company is prepared on a discontinuity basis. For further information on the Restructuring, we refer to "Related party disclosures".

Specific valuation rules under going concern:

I. Formation expenses and cost of capital increase

Formation expenses are capitalized and depreciated over 3 years. The expenses of capital increase are also capitalized and depreciated over 3 years. The expenses of the issuance of loans are also capitalized and depreciated over the duration of the loan.

II. Intangible assets

Intangible fixed assets are valued at purchase cost. The depreciations are accounted for based on the following terms:

- o software: 3 years
- o other: 3 to 5 years

III. Tangible assets

Tangible assets are accounted for at historical purchase cost including incidental expenses. The depreciations for these assets is calculated based on the economical lifetime of the related asset and based on the straight-line method. The depreciation terms are defined as follows:

- o Land: not amortised
- o Buildings: 40 years
- o Installations, machinery and equipment: 7 to 15 years
- o Furniture and vehicles: 3 to 10 years
- o Improvements to rented buildings: 10 year

IV. Financial fixed assets

Participations and receivables are accounted for at historical purchase cost. An impairment on these assets will be recognized in case of sustainable impairment that meets the requirements of prudence, honesty and fair view and is justified by the condition, profitability or outlook of the company. The impairment will be reversed in case it is no longer justified based on the current assessments.

Receivables denominated in foreign currencies are valued at the closing rates on the end of the financial year. The negative (unrealized) exchange rate differences are accounted for in the income statement. As of financial year 2011, based on the principles of prudence, the positive, unrealized exchange rate differences at year end closing date are accounted for as deferred income on the balance sheet.

V. Current assets and liabilities

These are valued at nominal value. Current assets and liabilities denominated in foreign currencies are valued at the closing rates on the end of the financial year. The negative (unrealized) exchange rate differences are accounted for in the income statement. As of financial year 2011, based on the principles of prudence, the positive, unrealized exchange rate differences at balance sheet date are accounted for as deferred income on the balance sheet. An impairment on the nominal value is recognized in case of uncertainty of the receivable at balance closing date. Cashpool positions are shown separately as other receivables (41) and other liabilities (48).

VI. Provisions for liabilities and charges

A provision is recognized to reflect liabilities and charges, resulting from a past event for which the nature is clearly defined, are considered probable or certain at balance sheet date, but for which the amount is uncertain. Provisions resulting from prior accounting years are regularly reviewed and are reversed if they are no longer required or the risks and charges are realized.

The Group operated a leveraged employee stock ownership plan and an executive long-term incentive plan, which, at the Group's discretion, were equity-settled or cash-settled share-based compensation plans. For these share-based payment transactions, the services received and the liability incurred were measured at the fair value of the liability at grant date. The initial measurement of the liability was recognised over the period that services were rendered. At each reporting date, and ultimately at settlement date, the fair value of the liability was remeasured with any changes in fair value recognised in the income statement for the period.

VII. Income statement

The income statement reflects all revenue realized and expenses incurred during the accounting period on an accrual basis, regardless the date on which these expenses and income are paid or collected.

Adjustments recorded as a result of the Company applying the discontinuity basis:

a) The formation expenses were fully depreciated as required by Article 3:6 of the Royal Decree dd. 29 April 2019 to the execution of the Code of Companies and Associations in the 2018 financial statements.

b) Explanation on determination of expected probable realization value in accordance with Article 3:6 of the Royal Decree dd. 29 April 2019 to the execution of the Code of Companies and Associations.

VALUATION RULES

At 31 January 2020, the Company has, in its current investments, a 2% investment in NN2 NewCo Limited ("NN2") at the cost of EUR 15,395,000 and, in its participating interests, a 100% investment in NN1 NewCo Limited ("NN1") valued at USD 1 representing cost of these investments for the Company through the issuance by NN2 of a 2% equity in NN2 to the Company with the remaining 98% equity stake issued to Trafigura New Holdco. The investment in NN2 as at 31 January 2020 of EUR 15,395,000 is carried at the lower of cost and expected probable realisation value, taking into consideration that the Company has a put option to sell all (but not part only) of its 2% holding in NN2 to Trafigura at a price equal to EUR 20 million in aggregate payable to the Company resulting in no impairment required at 31 January 2020. This put option can be exercised by NNV between six months and three years of Trafigura or any member of the Trafigura Group becoming a parent company of NN2 or all of the former subsidiaries of Nyrstar NV (excluding NN1) (the "Operating Group") (i.e. between 1 February 2020 and 31 July 2022), subject to limited triggers allowing earlier exercise of the put option before six months or earlier termination of the put option before three years.

c) Additionally, as at 31 December 2019, the Company had contingent liabilities amounting to EUR 235.2 million provided or irrevocably promised by the Company for debts and commitments of third parties. As at 31 January 2020 the Company had contingent liabilities amounting to EUR 238.0 million provided or irrevocably promised by the Company for debts and commitments of third parties that are yet to be transferred to the Trafigura Group. For more details refer to the parent company guarantees disclosures in "Related party disclosures".

d) The decision of the 9 December 2019 EGM not to continue the Company's activities resulted in the requirement for the Company to recognize a provision for discontinuation representing the estimated costs that the Company expects to incur before the completion of the liquidation. At 31 December 2019 the Company recognised a provision for discontinuation of EUR 2.3 million representing the estimated costs that the Company expects to incur before the completion of an orderly liquidation process that would be finalised before the end of 2020. As at 31 January 2020 the Company utilised EUR 0.3 million of the provision resulting in the balance of the provision at 31 January 2020 of EUR 2.0 million. Should the liquidation process take longer, e.g. due to the potential legal or regulatory actions, the estimated costs to be incurred by the Company before the completion of the liquidation would be significantly higher. Assuming the completion of the liquidation between the end of 2024 and 2029 the Company would need to incur estimated costs between EUR 11 million and 20 million, which may require the Company to obtain additional funding beyond the proceeds from the exercise of the EUR 20 million put option and the repayment of the outstanding amount drawn on the Limited Recourse Loan Facility, as defined below in the related party disclosures, from the put option proceeds. These additional costs in excess of the provision of EUR 2.0 million recognised at 31 January 2020 would further decrease the equity of the Company subsequent to 31 January 2020.

e) There have been various press reports in Q4 2019 and in January 2020 related to potential legal or regulatory actions by minority shareholders. The press reported in Q4 2019 that three criminal complaints have been lodged by three shareholders against unknown person and in January 2020 that the minority shareholders would shortly initiate the complaints on the merit related to the Company's Restructuring. There has not been any formal notification to the Company or any director, or detail provided in relation to these alleged criminal complaints or actions. Additionally, the Company is also aware of press coverage from Q4 2019 where it was stated by the Belgian securities regulator, the FSMA, that it was conducting a regulatory investigation into the Company. The Company has not been formally advised of this or any other regulatory investigation into the Company. As such, no provision has been recognised in relation to these matters at 31 January 2020.

OTHER INFORMATIONS TO DISCLOSE

GOING CONCERN

At 9 December 2019 the Extraordinary General Meeting ("EGM") of the Company was held to deliberate on the continuation of the Company's activities and a proposed capital decrease. The shareholders rejected the continuation of the Company's activities. The Board of Directors of the Company has taken the necessary measures including the preparation of the necessary reports (Statement of assets and liabilities and the Board report in accordance with article 2:71 of the Belgian Code for Companies and Associations) and has convened a new extraordinary shareholders' meeting to formally decide on the dissolution of the Company, and if approved, appoint a liquidator. As such, this 31 January 2020 Statement of assets and liabilities of the Company has been prepared on a discontinuity basis.

At the date of authorisation of the 31 January 2020 Statement of assets and liabilities, the "Company" has assessed that, taking into account its available cash, cash equivalents, facilities that became available to the Company as committed facilities at the completion of the restructuring of the Company and its subsidiaries ("Group" until 31 July 2019) ("Restructuring") at 31 July 2019, the ability to exercise the put option that the Company has that enables it to sell its 2% investment in the Operating Group and its cash flow projections for the next 12 months from the authorization by the Board of Directors of the 31 January 2020 Statement of assets and liabilities, it has sufficient liquidity to meet its present obligations and cover working capital needs. The forecast available liquidity of the Company, that at the date of this report includes the fully drawn amount of EUR 3.7 million available to the Company for the first year of the Limited Recourse Loan Facility, is dependent on various matters including the expected appointment of a liquidator and his or her next steps, the potential existence of legal claims against the Company requiring funding of the legal proceedings and other matters not currently foreseen. As from 1 August 2020 the Company can draw further EUR 1.2 million under the Limited Recourse Loan Facility for the Company's ongoing ordinary course operating activities. The Company can also draw on the separate EUR 5 million tranche of the Limited Recourse Loan Facility intended for the payment of certain litigation defense costs, if required as explained in 2.4 of the Related party disclosures. Should the abovementioned funding options not provide the Company with sufficient funds when they are required, the Company can exercise its put option that enables the Company to sell its 2% investment in the Operating Group for EUR 20 million, repay the outstanding amount drawn on the Limited Recourse Loan Facility from the proceeds of the put option (refer to the Related party disclosures hereafter for further details) and generating sufficient funding for the Company.

RELATED PARTY DISCLOSURES

1. Restructuring of the Nyrstar Group

1.1. 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 necessitated 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. Alternatives 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 including Trafigura. The Lock-Up Agreement set out the terms for the recapitalisation of the Nyrstar Group (the "Recapitalisation Terms"). These Recapitalisation Terms included:

1. a transfer by Nyrstar NV of (i) all its subsidiaries, excluding NN1 (as defined below) (the "Operating Group"), and (ii) all receivables owed to Nyrstar by the Operating Group to NN2 for a consideration of USD 1; and
2. the subsequent transfer of majority ownership of NN2 (as sole owner of the underlying Operating Group) to a newly incorporated holding company ("Trafigura New Holdco") owned by Trafigura through the issuance by NN2 of a 98% equity stake in itself to Trafigura New Holdco (with the remaining 2% of equity in NN2 issued directly to Nyrstar), in connection with the coming into effect of all other steps that are fundamental to the implementation the Restructuring, including (but not limited to):
 - a. the release of the outstanding EUR 115 million convertible bonds due in 2022 issued by the Company (the "Convertible Bonds") and the Operating Group's existing EUR 500 million 6.875% senior notes due in 2024 (the "2024 Notes") and EUR 340 million 8.5% senior notes due in 2019 (the "2019 Notes" and, together with the 2024 Notes, the "Notes" and any holder of the Notes and the Convertible Bonds, a "Noteholder") which were guaranteed by the Company in exchange for new debt instruments issued to those Noteholders by certain Trafigura entities (the "New Trafigura Instruments");
 - b. the restructuring of certain facilities entered into by the Operating Group and the release of the Company and NN1 from any guarantee obligations in respect of such facilities;
 - c. the provision of a EUR 160 million secured new money facility (by certain participating lenders under the Operating Group's existing facilities) to fund the general working capital of the restructured Operating Group (the "New Money Facility");
 - d. commitment by NN2 to use reasonable endeavours to procure the release of obligations owed by the Company to third parties in respect of financial, commercial or other obligations of the current members of the Operating Group (the "PCGs") (and an indemnity by NN2 to the extent such PCGs are not released);
 - e. the provision by NN2 of indemnities to the Company in respect of certain specified liabilities, including certain liabilities arising in relation

OTHER INFORMATIONS TO DISCLOSE

to certain historic disposals by the Group and/or from certain historic mine closures;

f. the provision by NN2 and/or a Trafigura entity which is a holding company of the Operating Group of a limited recourse loan to the Company to fund its forecast ordinary course operating costs and any defence costs arising from any third-party litigation for a number of years following the restructuring; and

g. minority rights for the benefit of the Company in respect of its 2% equity in NN2 (including a tag right, a drag right, information rights and a put option at a price equal to EUR 20 million (adjusted pro rata depending on NN2's percentage holding from time to time) exercisable within certain time periods).

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.

On 14 June 2019, NN2 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 NN2 had acceded to the Notes and that NN2 had published a practice statement letter in relation to a scheme of arrangement to be proposed by NN2 in respect of the Notes. The English court held the convening hearing on 4 July and ordered the NN2 scheme meetings to be held on 22 July (or such later time or date as NN2 may have decided). The NN2 scheme meetings were held on 22 July. There were two creditor classes for the NN2 scheme - the Convertible Bonds in one class, and the Notes 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 Notes), 95.57% by value voted and 99.96% by value and 98.93% by number of those voting supported the scheme. Accordingly, the NN2 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 NN2 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 NN2 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 NN2 in the United States.

The Restructuring subsequently took full effect on 31 July 2019. As a result of the recapitalisation, Trafigura Group Pte. Ltd. has become the ultimate parent of the Operating Group.

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.

The agreements to which the Company is a party are discussed in further detail below.

2. The NNV-Trafigura Deed

The Lock Up Agreement envisaged that the Company, Trafigura and Nyrstar Holdings Limited ("Nyrstar Holdings", a Trafigura special-purpose vehicle incorporated, amongst other things, for the purpose of implementing the Restructuring) would enter into a deed confirming their agreement in respect of (i) certain steps necessary for the implementation of the Restructuring as envisaged in the Lock Up Agreement and (ii) the terms of the ongoing relationship between the Company and the Trafigura group (the "NNV-Trafigura Deed"). The NNV-Trafigura Deed was duly executed on 19 June 2019. Certain key terms of the NNV-Trafigura Deed can be summarised as follows.

"Distribution policy: under the NNV-Trafigura Deed, Trafigura and Nyrstar Holdings have assumed obligations which are intended to ensure, as far as possible, that any profits realised by the former subsidiaries of the Company (referred to, prior to the Restructuring Effective Date, as the "Operating Group", and following the Restructuring Effective Date, which form part of the Trafigura group via Nyrstar Holding's 98% majority shareholding in NN2 NewCo Limited ("NN2") and are referred to as the "Restructured Operating Group") are distributed to the shareholders of NN2 (including the Company as 2% minority shareholder). To this end, Nyrstar Holdings has agreed to procure that: (i) the board of NN2 will meet at least on an annual basis to assess whether NN2 has any profits lawfully available for distribution (in which case, NN2 will make such distribution in accordance with applicable law); and (ii) NN2 and the other members of the Restructured Operating Group will not, under the terms of any financing or other agreement to which they are or shall be party (other than financing or other agreements entered into on arm's length terms with third parties), be subject to any limitations on making dividends or other distributions to their respective shareholders.

"Drag / tag rights: under the terms of the NNV-Trafigura Deed, if Nyrstar Holdings or any Trafigura entity or entities which hold(s) the 98% stake in NN2 (being the "Majority Shareholder(s)") proposes at any time a transfer of any right or interest to a third party purchaser (on arm's 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 NN2, then the Majority Shareholder(s) proposing the transfer will have the right to oblige the Company to transfer (a "drag right"), and the Company will have an equivalent right to participate in such transfer (a "tag right"), its entire 2% equity stake in NN2 on the same terms and for the same consideration per share as for the Majority Shareholder(s).

OTHER INFORMATIONS TO DISCLOSE

"NN2 change of control: the NNV-Trafigura Deed places obligations on Trafigura and Nyrstar Holdings to procure that the Trafigura group shall only implement any intragroup reorganisation within the Trafigura group which would result in at least 75% of the net assets (by value) of the Restructured Operating Group no longer being held by NN2 but being held by another member of the Trafigura group (the "Replacement HoldCo"), if (i) it is bona fide and undertaken in good faith, (ii) the financial position of Replacement HoldCo is substantially the same as that of NN2 immediately prior to such intragroup reorganisation, (iii) arrangements are put in place such that shareholders in Replacement HoldCo (including the Company) have substantially equivalent rights and obligations with respect to Replacement HoldCo as they did with respect to NN2, and (iv) the Company has an equity interest in Replacement HoldCo equivalent to its equity interest in NN2 immediately prior to the intragroup reorganisation, with substantially the same rights and protections. If such conditions are met, then the Company shall take all steps and provide such reasonable assistance as is necessary to effectuate the intragroup reorganisation, and shall cooperate in good-faith. Any costs reasonably incurred by the Company in doing so (including reasonable advisor fees), shall be borne by Trafigura.

2.1.The Put Option Deed

Pursuant to the NNV-Trafigura Deed, the Company and Trafigura also agreed that Trafigura shall grant to the Company an option to require a Trafigura entity to purchase the Company's entire interest in NN2, the terms of which are set in a separate deed, dated 25 June 2019, between the Company, Trafigura and Nyrstar Holdings (the "Put Option Deed"). Under the terms of the Put Option Deed, the Company can put all (but not only a part) of its 2% holding in NN2 to Trafigura at a price equal to EUR 20 million (the "Put Option"). The Put Option can be exercised by the Company between six months and three years of the completion of the Restructuring (i.e. between 1 February 2020 and 31 July 2022), subject to limited triggers allowing earlier exercise of the Put Option before six months, or earlier termination of the Put Option before three years.

2.2.Release from parent company guarantees in favour of Trafigura

As stated above, prior to the Restructuring Effective Date, the Company was ultimate parent company of the Nyrstar group, and had previously issued various parent company guarantees in respect of the obligations of its subsidiaries, including, but not limited to, two parent company guarantees (the "Trafigura PCGs") granted in respect of the primary financial obligations of the Company's indirect subsidiary at that time, Nyrstar Sales & Marketing AG ("NSM"), to Trafigura, namely under the USD 650 million Trade Finance Framework Agreements ("TFFA") and the USD 250 million Bridge Finance Facility Agreement ("BFFA"). The Trafigura PCGs as well as all other security and / or guarantees provided to Trafigura by the Operating Group in respect of the TFFA and BFFA, were released in full on the Restructuring Effective Date.

2.3.The Company's Release from parent company guarantees in favour of third-parties and the Company's rights to indemnification by NN2 under the NNV-NN2 SPA.

In addition to the release of the Trafigura PCGs, the Company benefits from contractual agreements with NN2 and Trafigura in respect of its release from, or indemnification for, liabilities for existing financial indebtedness and obligations owed to third parties in respect of financial, commercial or other obligations of the then current members of the Operating Group (the "PCGs"), such that those third parties should no longer have recourse to the Company. The release and / or indemnification obligations of NN2 from which the Company benefits can be summarised as follows.

"Release of PCGs and general indemnity: As part of the Intragroup Reorganisation, the NNV-NN2 SPA includes a commitment by NN2 to use reasonable endeavors to procure the release of obligations owed by the Company under Third-party PCGs. This procurement obligation is combined with an obligation on NN2 to indemnify the Company, to the extent such PCGs are not released, for any and all liabilities in relation to such PCGs in respect of the failure by the applicable member of the Operating Group to comply fully with its principal obligations.

"Indemnity for specified historic liabilities: Further, the NNV-NN2 SPA also contains an obligation on NN2 to indemnify the Company, to the extent not covered by the release and/or indemnification of PCGs mentioned above, in respect of certain specified liabilities, including certain liabilities arising in relation to certain historic disposals by the Nyrstar group and/or from certain historic mine closures, which are specified in a schedule to the NNV-NN2 SPA.

"Limitation on recourse to the Company of former subsidiaries: To limit and release further any financial obligations on the Company, the NNV-NN2 SPA obliges NN2 to procure that, and the NNV-Trafigura Deed obliges Trafigura to procure that no former subsidiaries of the Company will make any demands for payment from the Company except (i) under the Limited Recourse Loan Facility, (ii) as otherwise agreed following the completion of the Restructuring; or (iii) to the extent that the Company has sufficient funds available (excluding any dividends or sale proceeds in respect of the Company's direct 2% shareholding in NN2).

2.4.Financial transactions with Trafigura entities - the Limited Recourse Loan Facility

2.4.1.Introduction

On the Restructuring Effective Date, the Company entered into a EUR 13.5 million committed, limited recourse, loan facility (the "Limited Recourse Loan Facility") provided to it by NN2 (as "Lender"). The key terms of the Limited Recourse Loan Facility are described below. The Limited Recourse Loan Facility is made available in two separate tranches: (i) up to EUR 8.5 million to be applied towards the Company's ongoing ordinary course operating activities ("Facility A"); and (ii) up to EUR 5 million intended for the payment of certain litigation defense costs ("Facility B"). No security, collateral or guarantees have been granted in respect of the Company's obligations under the Limited Recourse Loan Facility.

2.4.2.Available commitments, amounts outstanding and interest

As at 31 January 2020, the Company owed EUR 3.7 million under Facility A. Facility A can be used by the Company, amongst other things, to cover reasonable director and employee costs, D&O insurance premium (to the extent not paid prior to the Restructuring Effective Date), audit fees, legal costs (except those relating to litigation or other actual or threatened proceedings against the Company, which should be funded from Facility B (defined below)), listing fees and investor relations costs. The funding under Facility A is provided to the Company based on the quarterly cash flow forecast prepared by the Company and provided to Trafigura as a condition of the

OTHER INFORMATIONS TO DISCLOSE

funding. The total quantum of funds to be made available under Facility A was agreed based on the Company's forecast operating costs for a five year period following the completion of the Restructuring, taking into account the ongoing operational services provided to the Company by NN2, as agreed in the NNV-NN2 SPA, for a period of three years (subject to agreed early termination triggers) (the "Ongoing Services"). The Ongoing Services to be provided by NN2 to the Company include finance, tax, corporate counsel, IT and administration services. The provision of the Ongoing Services to the Company is intended to reduce the Company's operating costs in the period following the Restructuring Effective Date.

As at 31 January 2020, the Company had not drawn any amount under Facility B. Subject to the restrictions detailed below, Facility B can be applied by the Company towards payment or reimbursement of costs in respect of any litigation, proceeding, action or claims (including tax claims) made, asserted or threatened against the Company, NN1 Newco Limited ("NN1") or any of their current or former directors or officers (each being a "Claim").

Under Facility A, the Company can borrow up to EUR 3.7 million before 31 July 2020 and then up to a further EUR 1.2 million annually until 2024. Funding under Facility B can be drawn based on costs incurred in respect of any litigation, proceeding, action or claims (subject to the restrictions detailed below, and on the delivery of an invoice for such costs). Utilisation of each Facility is limited to a maximum of three drawings per financial quarter per Facility (excluding any PIK Loans (defined below)). As at the date of this report, the Company has drawn EUR 3.7 million under Facility A and nil under Facility B.

The rate of interest on amounts outstanding under the Limited Recourse Loan Facility is the aggregate of EURIBOR plus a margin of 0.5%. It shall be payable within 10 business days of the anniversary of the date on such amount was made available, provided that such interest will be capitalised if it has accrued for a period of one year or more and the Company has given a notice in the form prescribed by the Limited Recourse Loan Facility. Any interest which is capitalised shall be treated as a new loan (a "PIK Loan") under the relevant Facility. Any PIK Loan shall itself accrue interest, and that interest may also be capitalised.

2.4.3. Restrictions on use of proceeds

The Company must not use any amount borrowed under either Facility A or Facility B for funding (directly or indirectly) any of the costs related to asserting or bringing or assisting in the pursuit of claims (including any counterclaim or defence) against Trafigura, other members of the Trafigura group, NN2 and / or any Replacement Holdco, and / or any other member of the Restructuring Operating Group, against any of such entities' current or former directors, officers, or advisers, against any creditor in respect of such entities (other than with the consent of NN2, such consent not to be unreasonably withheld or delayed) or in connection with any challenge to the Restructuring, including in relation to the TFFA and the BFFA or any other document contemplated by the Restructuring Implementation Deed.

2.4.4. Mandatory prepayment obligations

If at any time after 31 July 2020, the amount of the available cash, after allowing for the minimum headroom amount of EUR 2 million in the first year and EUR 1 million in the second year, of the Company (less any amount of the proceeds of any Facility B intended to be applied towards costs incurred by the Company to which Facility B Loan relates, but not yet so applied) exceeds EUR 1.5 million, the Company has to apply, within five business days of the excess cash arising, the relevant excess cash to prepay any amounts outstanding under Facility B. If any excess cash remains after such repayment, the Company shall apply 50% of that remaining excess cash to repay the outstanding amount under Facility A, and shall (to the extent permitted under applicable law and regulation) apply the remaining 50% of that excess cash towards payment of dividends to the Company's shareholders. The above only applies until the later of (i) the date on which the Company ceases to own its 2% equity interest in the Restructured Operating Group (such equity interest being as a result either of a direct shareholding in NN2 or Replacement Holdco (as defined above) - the "Company Equity Interest", and such date being the "Company Exit Date") and (ii) the receipt of all proceeds (subject to any deductions permitted / required under the terms of the Limited Recourse Loan Facility) from any disposal(s) of the Company Equity Interest which result in the occurrence of the Company Exit Date (the "Disposal Proceeds").

Immediately upon receipt of any Disposal Proceeds, the Company shall procure that these shall be applied first to prepay any amount outstanding under Facility B, and secondly, if (i) any Disposal Proceeds remain after any required prepayment of Facility B, and (ii) the aggregate amount of all amounts outstanding under Facility A exceeds EUR 5 million, to prepay such Facility A amounts to or towards an aggregate amount of EUR 5 million.

The Company shall ensure that, if any distribution is paid to the Company's shareholders on or after the Company Exit Date, an amount equal to that distribution is applied to repay or prepay amount outstanding under Facility A before or simultaneously with such distribution.

The Company has agreed also that, if it receives any amounts from costs awards, damages awards and / or any other recovery from any counterparty to a Claim (as defined above) (such amounts constituting "Claims Proceeds"), then such Claims Proceeds must be used immediately to repay or prepay any amounts outstanding under Facility B.

Additionally, there are customary provisions that require mandatory prepayment of amounts outstanding under either or both Facility A and B in the case of an event of default followed by acceleration by the Lender.

2.4.5. Information, consultation and litigation strategy undertakings

If any Claim arises as a result of which the Company reasonably anticipates that it may make a utilisation under Facility B, the Company must:

- promptly notify NN2 and Trafigura of the Claim;
- subject to compliance with applicable law or confidentiality obligations to third parties, make available to NN2 and Trafigura all information in its possession and control as reasonably requested by NN2 or Trafigura in connection with assessing, contesting, disputing, defending, appealing or compromising the Claim, provided that NN2 and Trafigura shall maintain confidentiality and/or privilege with regard to such information;

OTHER INFORMATIONS TO DISCLOSE

- keep NN2 and Trafigura informed of the progress / developments in respect of the Claim, and promptly provide any correspondence or other information received in connection with the Claim;
- consult and take into account the views of NN2 and Trafigura as to the applicable legal advisors that will represent the Company, NN1, or the applicable directors or officers. NN2 shall also procure that such legal advisors provide fee estimates as requested by NN2 or Trafigura;
- consult with and take into account the views of NN2 and Trafigura in relation to the conduct of the defence / negotiations / settlements in respect of the Claim; and
- whilst any amount is outstanding under Facility B in relation to a civil Claim, not make any admission of Liability, agreement, settlement or compromise in relation to that Claim without the prior written approval of Trafigura.
The Company must consult with Trafigura prior to taking any action relating to insolvency or bankruptcy proceedings, including under Book XX of the Belgian Code of Economic Law.

The Company is also obliged to provide NN2 with certain financial information, including quarterly cashflow forecasts (and any revisions thereto required under the terms of the Limited Recourse Loan Facility), half-yearly financial statements and audited annual financial statements, drawn up on a consolidated basis (to the extent the Company has subsidiaries) and in accordance with the accounting principles agreed under the terms of the Limited Recourse Loan Facility.

2.5 Relationship Agreement

At the completion of the Restructuring at 31 July 2019, the "Relationship Agreement" between Trafigura Group Pte Ltd and the Company (dated 9 November 2015) was terminated. The Relationship Agreement governed the relationship between the Company (and the broader Nyrstar Group) and Trafigura Group Pte. Ltd. and its affiliated persons between its execution on 9 November 2015 and the completion of the Restructuring on 31 July 2019.

2.6 Commercial transactions with Trafigura

The Company has not entered into any commercial transactions with Trafigura in the months ended 31 January 2020.

OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those which cannot be quantified)

Parent company guarantees

Until 31 July 2019 the Company was the holding company of the Nyrstar Group (consisting of Nyrstar NV and its subsidiaries). At 31 July 2019, when the Restructuring of the Nyrstar Group was finalised (refer to the 31 December 2019 financial statements for the details), Nyrstar NV was 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 (all former subsidiaries of the Nyrstar Group excluding NN1 NewCo Limited) (or indemnified by NN2 to the extent such guarantee liabilities are not released). The disclosed amount of EUR 238.0 million represents the Parent Company guarantees to third parties that have not yet been released per 31 January 2020 for which the company is indemnified. (see "Related party disclosures").