

Regulated Information – Inside information

2018 Full Year Results Amendment and Reissue

27 September 2019 at 23:50 CEST

Nyrstar NV ("Nyrstar" or the "Company" and, together with its subsidiaries, the "Group") is today announcing its amended and reissued consolidated financial statements for the twelve months ended 31 December 2018 ("Full Year Results 2018").

As was announced by the Company on 15 April 2019, Nyrstar 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. As previously announced, these conditions included substantial working capital and liquidity outflows experienced during the fourth quarter of 2018 and first quarter of 2019 necessitating the raising of urgent short term funding. Combined with the Group's materially reduced Underlying EBITDA performance in 2018 and the maturity of certain liabilities during 2019, these factors resulted in the need to reconsider the Group's capital structure.

The Full Year Results 2018 that were previously published on 26 May 2019 included a non-compliance opinion from the Company's auditor on the basis that certain information requested from the Company was not timely delivered. The Company has provided additional information to its auditor and the Full Year Results 2018 have today been amended and re-issued.

The Company has received from its auditor, and is publishing today, a qualified audit opinion to accompany its amended and reissued 31 December 2018 consolidated financial statements. In its audit opinion, the auditor confirms that in its opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of its report, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as of 31 December 2018 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The auditor has advised that the basis for its qualified opinion (with which the Company does not agree) is that they have been unable to obtain sufficient appropriate audit evidence as to the completeness of the information received with respect to the related party transactions and disclosures for the relationship with Trafigura Group Pte. Ltd. and its affiliated entities (together "Trafigura") as included in note 39 to the consolidated financial statements, to the completeness of the information on the sequence of events that have resulted in the Capital Structure Review as included in the introduction section of the subsequent events described in note 42 to the consolidated financial statements, as well as to conclude upon the disclosure in note 39 regarding the availability of the Trafigura Working Capital Facility for the period between 31 October 2018 and 6 December 2018, when the Trafigura Working Capital Facility was terminated upon the Group entering into the Trafigura Trade Finance Framework Agreement. As previously announced, the restructuring completed on 31 July 2019 pursuant to which Trafigura became the holder of 98% of the outstanding shares in NN2 Newco Limited (and thereby the Nyrstar operating group), with the Company holding the remaining 2%. As was also previously announced, Nyrstar believes that the restructuring was in the interest of Nyrstar's stakeholders. Nyrstar has provided to the auditor all the relevant information available to it and has worked closely with the auditor for many months, dedicating very substantial resources to this, so as to bring the audit process to its conclusion in the financial statements which have been issued today.

The material changes between the consolidated financial statements for the twelve months ended 31 December 2018 previously published on 26 May 2019 and the Full Year Results 2018 being published today are summarised below and highlighted in comparison versions of the associated documents in the reports and presentation section of the Nyrstar website (see www.nyrstar.be).

(a) Myra Falls impairment (note 17)

Subsequent to 26 May 2019, the Company has reviewed and updated the mine block model of the Myra Falls mine resulting in lower estimated recoverable value of the mine. The Company has concluded that the change represents an adjusting

subsequent event under IAS 10: “Events after the reporting period” as it materially impacts the recoverable value of the Myra Falls mine as at 31 December 2018. To enhance the relevance of information contained in the consolidated financial statements the Company has amended and has reissued its 31 December 2018 consolidated financial statements to reflect the non-cash impairment of the Myra Falls mine.

As a result of the amendment, the original reported loss for the year of EUR 618.2 million has increased to EUR 649.5 million and original total equity has decreased from EUR (150.9) million to EUR (182.1) million.

The table below summarises the changes in the consolidated income statement between the original and reissued consolidated financial statements:

EUR million	2018	2018
	Original	Reissued
Impairment loss	(99.0)	(130.3)
Result from operating activities	(212.1)	(243.4)
Loss before income tax	(363.4)	(394.7)
Loss for the year from continuing operations	(613.8)	(645.1)
Loss for the year	(618.2)	(649.5)
Attributable to:		
Equity holders of the parent	(618.2)	(649.5)
Loss per share for loss from continuing operations during the period (expressed in EUR per share)		
basic	5.60	5.88
diluted	5.60	5.88

(b) Ability of the Group to continue to operate on a going concern basis (note 4)

The re-issued consolidated financial statements of the Group continue to be prepared on a basis other than that of a going concern (Note 2a). As a result of the completion of the restructuring of the Nyrstar Group at 31 July 2019, the going concern disclosures in note 4 have been updated reflecting the outcomes of the restructuring. The changes include a removal of the material uncertainties that had existed at 26 May 2019 when the original 31 December 2018 consolidated financial statements of the Group were issued.

(c) Zinc prepayment (note 20g)

Additional disclosures have been included in relation to the refinancing of the zinc prepayment in the first half of 2018.

(d) Related parties (note 39)

The following changes have been made to the Related parties disclosures in note 39a:

- The termination of the relationship agreement with Trafigura at the completion of the restructuring of the Nyrstar Group has been reflected in disclosures;
- The actually agreed zinc treatment charges between the Company and Trafigura for 2018 and 2017 have been disclosed in the re-issued consolidated financial statements;
- Disclosures related to the Trafigura Commercial Agreements, the Trafigura working capital facility and the Trafigura trade finance framework agreement have been further enhanced; and
- The commissions and finance expenses paid to Trafigura have been added to the disclosures.

(e) Audit and non-audit services by the Company’s statutory auditor (note 40)

The audit fees for the 2018 audit by the Company's auditor have been updated to reflect the additional audit fees incurred by the Group until the finalisation of the audit of the re-issued consolidated financial statements for the year ended 31 December 2018.

(f) Subsequent events (note 42)

The subsequent events disclosures have been substantially updated to reflect the progress of the restructuring of the Nyrstar Group since 26 May 2019, when the original consolidated financial statements for the year ended 31 December 2018 were issued. This update includes the outcomes of the restructuring that has been completed at 31 July 2019. In addition to the updated disclosures related to the Nyrstar Group restructuring, additional disclosures have been provided related to the events that occurred between the issuance of the original 31 December 2018 consolidated financial statements at 26 May 2019 and the completion of the re-issued 31 December 2018 consolidated financial statements at 27 September 2019. These additional disclosures include:

- Quantification of the impact on the Group from unwinding of the majority of the metal at risk hedges in March 2019 due to the declining metal prices in 2019;
- The outcome of the negotiation between the South Australian Government, Nyrstar and Trafigura related to the Perpetual Securities;
- The operational issues at the Port Pirie smelter and their estimated negative production and financial impact over the course of June and July 2019 (i.e. before the 31 July 2019 restructuring effective date);
- The outcome of the investigation related to the certain Board materials that had not been provided to Deloitte;
- The outcome of the court hearing in Brussels with regards to a legal dispute between the Company and its minority shareholders Kris Vansanten and Jean-Marc Van Nypelseer, both represented by WATT Legal; and
- The reaction to the unsubstantiated allegations by Nyrstar's ex-internal auditor in the press coverage published by L'Echo and De Tijd on 17 August 2019.

The Company will shortly announce the convening of an ordinary general and extraordinary shareholders' meeting to take place on 5 November 2019.

FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Nyrstar cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this report or any change in Nyrstar's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

About Nyrstar

News release



Resources for a changing world

The Company is incorporated in Belgium and, following completion of the recapitalisation/restructuring has a 2% shareholding in the Nyrstar group. The Company is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: www.nyrstar.be

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