

Regulated Information – Inside information – Press release issued in the framework of article 7:97 BCCA

Nyrstar NV to exercise put option in NN2 for EUR 20 million

28 July 2022 at 07.00 CEST

Nyrstar NV (the “Company”) today advises that it has completed its detailed review process in respect of the decision whether or not to exercise the put option that the Company has in relation to its entire 2% shareholding in NN2 NewCo Limited (“NN2”), which holds the former Nyrstar operational group, entitling it to sell such 2% to Nyrstar Holdings Plc (or another member of the Trafigura group) for a fixed amount of EUR 20 million (the “Put Option”). The review process started in the fourth quarter of 2021 in light of the Put Option’s expiry date on 31 July 2022.

Considering the independent expert report prepared by Moore Corporate Finance, which values the 2% shareholding in NN2 in a range of EUR 0 million to EUR 3.4 million, the opinion of the independent directors of the Company, questions and comments raised by certain minority shareholders and other information made available to it, the Company believes it is in its corporate benefit to exercise the Put Option. Further, the exercise of the Put Option limits the Company’s liquidity risks for the foreseeable future and avoids insolvency that would, on the basis of current projections, have arisen in the second quarter of 2023. A full summary of the background, the process followed and the summary of the analysis is made below. The Company informs that it will exercise the Put Option before the expiry on 31 July 2022.

Background

In October 2018, the former Nyrstar group initiated a review of its capital structure (the "Capital Structure Review") in response to the challenging financial and operating conditions being faced by the Nyrstar group. The Capital Structure Review identified a very substantial additional funding requirement that the Nyrstar group was unable to meet without a material reduction of the Nyrstar group's indebtedness. Consequently, the Capital Structure Review necessitated negotiations between the Nyrstar group's financial creditors that ultimately resulted in the restructuring of the Nyrstar group, which became effective on 31 July 2019 (the “Restructuring”). As a result of the Restructuring, Trafigura Group Pte. Ltd., via its indirect 98% ownership of the new holding company NN2, became the ultimate parent company of the former (direct and indirect) subsidiaries of the Company (the "Operating Group"), with the remaining 2% stake in NN2 (and thereby the Operating Group) being owned by the Company.

The lock-up agreement (“Lock-Up Agreement”) entered into on 14 April 2019 between, among others, the Company and representatives of its key financial creditor groups, envisaged that the Company, Trafigura Pte Ltd (“Trafigura”) and Nyrstar Holdings Limited (“Nyrstar Holdings”, a Trafigura special-purpose vehicle incorporated, amongst other things, for the purpose of implementing the Restructuring, now known as Nyrstar Holdings Plc) 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.

Pursuant to the NNV-Trafigura Deed, the Company and Trafigura also agreed that Trafigura granted an option to the Company to require Nyrstar Holdings (or another Trafigura entity) to purchase the Company's entire interest in NN2. The terms of this option are set out 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 (subject to any applicable mandatory regulatory conditions to the sale being satisfied). The Put Option served to give liquidity to the Company for, and enhance and crystallise the value of, an otherwise illiquid 2% minority holding in NN2, a non-listed company, in the corporate benefit of the Company. The Put Option can be exercised by the Company until 31 July 2022.

Report by Independent Directors

As a result of Urion Holdings (Malta) Ltd, a subsidiary of Trafigura B.V., holding 24,42% in the Company and also indirectly controlling Nyrstar Holdings, Nyrstar Holdings constitutes a related party of the Company in the meaning of IAS 24 such that article 7:97 of the Belgian Code of Companies and Associations (the “BCCA”) applies to the decision whether or not to exercise the Put Option.

On 18 November 2021, the Company announced that it had appointed Moore Corporate Finance, to prepare an independent expert’s opinion (the “Expert Report”) for the independent directors of the Company (“Committee of Independent Directors”), in the framework of article 7:97 BCCA. The independent expert’s opinion was to advise the Committee of Independent Directors in examining the benefit to the Company, taking all relevant circumstances into account, of the exercise or non-exercise of the Put Option that the Company has in relation to its (entire) 2% investment in NN2. In making its decision on whether or not to exercise the Put Option, the Committee of Independent Directors was to also duly consider any substantiated third-party bids, including of the Company’s shareholders other than Trafigura and/or of other stakeholders and third parties, that it may receive in respect of the 2% shareholding in NN2. Any such bids for the 2% shareholding in NN2 were requested to be addressed to the Company prior to 15 February 2022. As advised by the Company in the annual report and financial statements issued on 13 April 2022, via a press release on 27 May 2022 and at the annual general shareholders meeting on 28 June 2022, the Company has not received any bids.

Moore Corporate Finance was asked to advise on the following:

- i. The current valuation of the Operating Group and the equity value to be assessed for the Company’s 2% equity interest in NN2.
- ii. The financial consequences of (not) exercising the Put Option for the Company and possible other consequences related to such decision.
- iii. Benefits and disadvantages for the Company if the Board resolves to exercise the Put Option, including considering the alternative investments that the Board could consider pursuing with the proceeds of the Put Option. In doing so, the expert was instructed to consider the financial viability of the Company over at least the next 24 months, after date of issuance of the Expert Report if it decides to not exercise the Put Option.
- iv. The potential outcomes under the alternative options to the exercise of the Put Option, including the ability of the Company to sell the 2% stake in NN2 to a third party and the likely sales proceeds that the Company may be able to generate from such a sale.

In preparing the Expert Report, Moore Corporate Finance has reviewed the information made available by Nyrstar and by the Operating Group to conduct the valuation of the Operating Group and was given the opportunity to request additional information and engage in a question-and-answer process with both Nyrstar and the Operating Group. In addition, Moore Corporate Finance has, among other things, reviewed certain publicly available business and historic financial information relating to the Company and the Operating Group as well as other market data to test the robustness and reasonableness of the information and projections provided by the Company and the Operating Group management. Moore Corporate Finance has confirmed that it found no indication to doubt the reliability of the information provided. The information was requested pursuant to the information rights granted to

the Company by Trafigura in the framework of the Restructuring and stored in an electronic data room. The Committee of Independent Directors requested the Company's management to facilitate this process and monitored that BDO, the Company's statutory auditor, was duly informed early in the process and was given the opportunity to raise questions, including with Moore Corporate Finance.

As part of the review process, the Company's management assessed the amounts that would be repayable under the Company's EUR 13.5 million Limited Recourse Loan Facility ("LRLF") with NN2 if the decision of the Board were to exercise the Put Option. This assessment of the repayment obligations of the LRLF was shared with Moore Corporate Finance. It is noted that there are limited recourse provisions in the LRLF which limit the Company's obligations to make any repayments under the LRLF and NN2's recourse to the Company, to the extent of the Company's net assets (as defined in the LRLF). It has been concluded by the Company's analysis of the LRLF that there will be no immediate repayment obligation of the EUR 9.8 million that is currently outstanding under the LRLF, nor for the foreseeable future given the current and forecast value of the Company's net assets (as defined in the LRLF). The Company will continue to monitor the development of its net asset position to consider whether any repayment of the LRLF would be needed.

Certain minority shareholders have raised questions and comments in the framework of the Put Option for Moore Corporate Finance at the occasion of the Company's annual shareholders meeting on 28 June 2022 (see minutes on the Company's website). The Committee of Independent Directors has considered these questions and also ensured that these questions and comments were passed to Moore Corporate Finance and/or considered by the Company's management in the memoranda prepared by management for the Committee of Independent Directors.

The Expert Report concluded that the benefits for the Company of exercising the Put Option is a degree of financial security considering that its valuation shows that the strike price of the Put Option (EUR 20 million) by far exceeds its valuation of the 2% holding in NN2 (which lies in a range of EUR 0 million to EUR 3.4 million as at 31 May 2022). This in turn limits the Company's liquidity risks for the foreseeable future and avoids insolvency that would risk, on the basis of current projections, to arise in the second quarter of 2023. Further, based on the valuation, the exercise of the Put Option for EUR 20 million is significantly higher than the amount a third party would be likely willing to pay. The disadvantages are that the Company's major asset will be realised and thus its activity will now consist in managing the proceeds of the Put Option and the management of the ongoing legal and other regulatory proceedings. The Expert Report lists a number of investments for the Company that are suited in such circumstances, which the Board of Directors is considering.

Decision to exercise the Put Option

The Committee of Independent Directors has considered the Expert Report, as well as the information provided by the Company's management when evaluating the decision whether or not to exercise the Put Option as well as the comments raised by certain minority shareholders at the occasion of the latest annual shareholders meeting. On this basis, the Committee of Independent Directors has advised the Company's board of directors on the exercise or non-exercise of the Put Option in accordance with article 7:97 of the BCCA.

The key conclusions from the detailed review conducted by the Committee of Independent Directors in accordance with article 7:97 of the BCCA which were material for the decision by the Company to exercise the Put Option are summarised as follows:

- I. The valuation performed by Moore Corporate Finance shows that the fair market valuation of the Company's 2% equity interest is in the range of EUR 0 million to EUR 3.4 million as at 31 May 2022. This valuation is substantially below the EUR 20 million exercise price of the Put

Option. The amount of EUR 20 million that the Company would receive upon exercising the Put Option would thus result in a clear financial advantage to the Company compared to not exercising it. The Put Option expires on 31 July 2022.

- II. The exercise of the Put Option would result in the cancellation of NN2's commitments under the LRLF and the requirement for repayment of certain amounts outstanding thereunder (subject to the limited recourse provisions). The net effect of any obligation to repay amounts under the LRLF would be to reduce the portion of the EUR 20 million proceeds received from the exercise of the Put Option available for use by the Company. However, the limited recourse provisions of the LRLF result in the Company not being required to pay amounts under the LRLF to the extent it would not have sufficient Company net assets (as defined in the LRLF). This allows deduction of the Company's non-LRLF liabilities (including its contingent liabilities), which are broadly defined. (The Company net assets are defined in the LRLF and such definition is unrelated to IFRS or Belgian GAAP rules and reporting).
As long as the Company net asset position, calculated on the basis of the provisions of the LRLF, remains negative, the EUR 20 million that the Company will receive upon exercising the Put Option (and the sale completing subject to any applicable mandatory regulatory conditions being satisfied) will therefore not be required to be used towards repayment of the LRLF. However, exercising the Put Option would terminate the provision of certain ongoing operational and administrative services under the LRLF (the "Ongoing Services"). The effect of the latter would be minimal as the Ongoing Services period also automatically expires on 31 July 2022.
- III. As a result of the limited recourse provisions in the LRLF, the exercise of the Put Option provides the Company with sufficient headroom to cover its expected near-term costs and consider appropriate use for the net proceeds. In this context, however, and as noted above, the Company will continue to monitor the development of its Company Net Asset position to consider whether any repayment of the LRLF needs to be made in accordance with its terms.
- IV. The consequence of exercising the Put Option (and the sale completing subject to any applicable mandatory regulatory conditions being satisfied) will result in the Company forfeiting the opportunity to receive future dividends from NN2, if any, and will result in the Company no longer having the option to dispose of the Company's 2% equity interest in NN2 to a third party or Trafigura at a potentially higher price than the Put Option exercise price of EUR 20 million. The Company has assessed the probability of not exercising the Put Option and instead waiting until a future moment in time when the value of the Company's 2% equity interest would exceed EUR 20 million or a third party or Trafigura would offer more. The Company considers, based on the Expert Report and lack of interest shown, including by sector players, that this seems a very unlikely hypothesis as the Company has already approached the market to learn whether there would be a possibility of any substantiated third-party bids and did not receive any bids since the announcement in its press release on 18 November 2021.
- V. Importantly, the proposition not to exercise the Put Option before it is set to expire on 31 July 2022 would likely place the Company in insolvency during H1 2023 as the Company's liquidity forecasts, in the absence of the EUR 20 million of Put Option proceeds, show the Company becoming illiquid in Q2 2023.

The opinion of the Committee of Independent Directors is therefore as follows:

On the basis of the considerations set out above, including the Expert Report, the information provided [by management] in Annex 2 as well as the comments made by minority shareholders, the Committee is of the opinion that the decision to exercise the Put Option is not such as to imply a disadvantage to the Company that, in light of its current policies, would be manifestly illegitimate.

Furthermore, the Committee is of the opinion that it is unlikely that the decision to exercise the Put Option would lead to disadvantages for the Company which will not be outweighed by the benefits for the Company of such decision.

The Company's statutory auditor, BDO, has reviewed the Expert Report, the report by the Committee and the minutes of the Board of Directors of the Company in accordance with article 7:97 BCCA and its assessment is as follows.

Based on our review, nothing has come to our attention that causes us to believe that the financial and accounting data reported in the advice of the committee of independent directors dated 27 July 2022 and in the minutes of the administrative body dated 27 July 2022, which justify the proposed transaction, are not consistent, in all material respects, compared to the information we have in the context of our assignment as statutory auditor of Nyrstar NV.

Our assignment is solely executed for the purposes described in article 7:97 of the Code of Companies and Associations and therefore our report is not to be used for any other purpose.

The Expert Report, the report by the Committee and BDO's report are all available on the Company's website: <https://www.nyrstar.be/en/investors/results-reports-and-presentations/2022>

About Nyrstar NV

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.

About Moore Corporate Finance

Moore Corporate Finance is the largest independent professional services provider in Belgium. Moore Corporate Finance provides services in the areas of Accountancy, Audit, Business Analytics, Business Consulting, Corporate Finance, Interim Management and Tax & Legal Services. As a member of Moore Global – a global accounting and consulting network – Moore Corporate Finance assists its clients in more than 100 countries. More information about Moore Corporate Finance can be found at www.moore.be

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