

Nyrstar announces agreement of USD650 million committed working capital facility with Trafigura

21 November 2018 at 07:00 CET

HIGHLIGHTS

- Significantly strengthens the Group's liquidity position and secures its ongoing working capital needs
- Demonstrates continuing commitment to the Company by its major shareholder, Trafigura
- Previously announced capital structure review is ongoing

Nyrstar NV ("Nyrstar" or the "Company", together with its subsidiaries, the "Group") announces that it has signed a binding term sheet with Trafigura Pte Ltd ("Trafigura") under which Trafigura will extend a USD650 million committed working capital facility (the "New USD650m Facility") in favour of Nyrstar Sales & Marketing AG ("NSM"). The New USD650m Facility is expected to become fully effective on or about 30 November 2018.

In conjunction with the signing of the binding term sheet for the New USD650m Facility, NSM has additionally entered into a USD220 million interim prepayment agreement with Trafigura which will become effective on or about 21 November 2018. This prepayment will be secured by financial guarantees, including from the Company and Nyrstar Hobart Pty Ltd which will grant a pledge over the shares it holds in Nyrstar Port Pirie Pty Ltd in favour of Trafigura. This interim prepayment agreement will be replaced and refinanced by the New USD650m Facility when it becomes effective.

The New USD650m Facility, including the interim prepayment agreement, significantly strengthens the Group's liquidity position.

The New USD650m Facility comprises a USD450 million metals prepayment tranche (L+5% p.a.) and a USD200 million suppliers credit tranche. The facility matures on 30 June 2020.

The New USD650m Facility will benefit from a comprehensive guarantee and security package comprising financial guarantees, pledges over shares of certain subsidiaries of the Company, pledges over fixed assets and security over certain inventory and receivables. It will contain customary financial covenants, events of default and other undertakings.

The New USD650m Facility replaces NSM's existing USD250 million working capital facility agreement with Trafigura which will be cancelled when the new facility becomes effective.

The New USD650m Facility may be prepaid in full without penalty at any time upon giving of 5 business days' notice. It incorporates a right to participate for up to 50% of any future financing or recapitalisation arrangements entered into by the Group, for a period of two years after the date when the new facility becomes effective.

No amount of the New USD650m Facility can be applied to repay, refinance or otherwise redeem any of the Group's bonds or other financial indebtedness which remain within the scope of the Company's previously announced and ongoing capital structure review.

BACKGROUND

Since the Q3 results announcement on 30 October 2018, the Group has experienced increased working capital requirements that have had an adverse impact on its liquidity position.

Whilst the Company has taken every effort to mitigate this impact, the Company considered it prudent and necessary to pursue an alternative financing arrangement on an accelerated basis in order to secure the Group's funding needs.

The Company welcomes the support provided by the New USD650m Facility with Trafigura, both strengthening the Group's liquidity position and demonstrating Trafigura's continuing commitment to Nyrstar.

CAPITAL STRUCTURE REVIEW

The capital structure review announced on 30 October 2018 is ongoing.

In connection with the review, the Company further announces the appointment of Freshfields Bruckhaus Deringer LLP as its legal adviser and Alvarez & Marsal who will assist the Company in the capital structure review, both working alongside Morgan Stanley. The Company will provide further information regarding the progress and outcome of the capital structure review in due course.

About Nyrstar

Nyrstar is a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting and other operations located in Europe, the Americas and Australia and employs approximately 4,100 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: www.nyrstar.com.

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