(Free translation from the original in Spanish)

Nexa Resources Perú S.A.A. and subsidiaries

Consolidated financial statements at December 31, 2022 and independent auditor's report

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(Free translation from the original in Spanish)

Nexa Resources Perú S.A.A. and subsidiaries

Consolidated income statement
Years ended on December 31
All amounts in thousands of US$ dollars, unless otherwise stated

	Note	2022	2021
Net revenues	5	892,389	828,571
Cost of sales	6	(557,849)	(507,801)
Gross profit		**334,540**	**320,770**
Operating expenses			
Selling and administrative expenses	6	(33,247)	(30,166)
Mineral exploration and projects evaluation	6 and 7	(42,328)	(44,055)
Impairment of long-lived assets	30	(51,871)	-
Other income and expenses, net	8	(27,738)	(21,177)
		(155,184)	**(95,398)**
Operating income		**179,356**	**225,372**
Net financial results	9		
Financial income		14,003	11,593
Financial expenses		(27,103)	(21,247)
Other financial items, net		(4,836)	15,132
		(17,936)	**5,478**
Income before income tax		**161,420**	**230,850**
Income tax	10 (a)	**(66,134)**	**(94,481)**
Net income for the year		**95,286**	**136,369**
Attributable to owners of the controlling entity	29 (e)	94,845	136,714
Attributable to non-controlling interests	29 (f)	441	(345)
Net income for the year		**95,286**	**136,369**
Weighted average number of outstanding shares - in thousands	29 (e)	1,272,108	1,272,108
Basic and diluted earnings per share – US$	29 (e)	0.07	0.11

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
Years ended on December 31
All amounts in thousands of US$ dollars, unless otherwise stated

	Note	2022	2021
Net income for the year		**95,286**	**136,369**
Other comprehensive loss, net of income tax - items that will not be reclassified to the income statement			
Changes in fair value of financial liability related to changes in the Company's own credit risk	21 (b)	-	(5,189)
Deferred income tax		-	(2,333)
		-	**(7,522)**
Total comprehensive income for the year		**95,286**	**128,847**
Attributable to owners of the controlling entity	29 (e)	94,845	129,192
Attributable to non-controlling interests	29 (f)	441	(345)
Total comprehensive income for the year		**95,286**	**128,847**

The accompanying notes are an integral part of these consolidated financial statements.

(Free translation from the original in Spanish)

Nexa Resources Perú S.A.A. and subsidiaries

Consolidated balance sheet
As at December 31
All amounts in thousands of US$ dollars, unless otherwise stated

Assets	Note	2022	2021
Current assets			
Cash and cash equivalents	14	243,504	272,086
Trade accounts receivables	15	345,360	340,263
Inventory	16	45,556	46,519
Recoverable income tax		950	557
Other assets	17	22,729	21,183
		658,099	**680,608**
Non-current assets			
Deferred income tax	10 (b)	14,630	12,539
Recoverable income tax		-	559
Other assets	17	9,719	12,812
Property, plant and equipment	19	295,169	286,258
Intangible assets	20	170,569	243,630
Right-of-use assets		3,643	3,781
		493,730	**559,579**
Total assets		**1,151,829**	**1,240,187**
Liabilities and shareholders' equity			
Current liabilities			
Loans and financings	21 (a)	443	2,780
Lease liabilities		1,493	6,278
Trade payables	22	155,165	146,508
Confirming payables	23	3,368	5,942
Salaries and payroll charges	24	30,984	34,679
Asset retirement and environmental obligations	25	13,167	9,911
Contractual obligations	26	26,188	33,156
Payable income tax		12,307	29,959
Other liabilities	27	26,151	27,809
		269,266	**297,022**
Non-current liabilities			
Loans and financings	21 (a)	-	128,865
Lease liabilities		1,245	1,582
Trade payables		1,266	-
Asset retirement and environmental obligations	25	96,591	119,092
Deferred income tax	10 (b)	401	17
Provisions	28	15,299	13,953
Contractual obligations	26	105,972	114,076
Other liabilities	27	72	43
		220,846	**377,628**
Total liabilities		**490,112**	**674,650**
Shareholders' equity	29		
Attributable to owners of the controlling entity		670,617	575,386
Attributable to non-controlling interests		(8,900)	(9,849)
		661,717	**565,537**
Total liabilities and shareholders' equity		**1,151,829**	**1,240,187**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
Years ended on December 31
All amounts in thousands of US$ dollars, unless otherwise stated

	Note	2022	2021
Cash flows from operating activities			
Income before income tax		161,420	230,850
Less, income tax	10 (a)	(66,134)	(94,481)
Deferred income tax	10 (a)	(4,124)	26,299
Impairment loss of long-lived assets	30	51,871	-
Depreciation and amortization	6	80,879	80,503
Interest and foreign exchange effects		26,230	18,487
Loss on sale of property, plant and equipment		505	693
Changes in accruals and other assets impairments		8,309	16,377
Changes in fair value of loans and financings	9	-	(20,823)
Changes in fair value of derivative financial instruments	9	-	6,850
Contractual obligations		(20,873)	(25,729)
Impairment of inventories and trade accounts receivables, net		822	(690)
(Increase) decrease in assets			
Trade accounts receivables		(5,019)	(96,793)
Other financial instruments		-	(7,267)
Inventory		63	(16,912)
Other assets		79,875	48,838
Increase (decrease) in liabilities			
Trade payables		9,923	23,003
Confirming payables		(2,574)	3,357
Provisions		(9,150)	(10,461)
Other liabilities		(21,528)	41,327
Cash provided by operating activities		**290,495**	**223,428**
Interest paid on loans and financings	21 (b)	(2,984)	(15,604)
Interest paid on lease liabilities		(32)	(42)
Premium paid on bonds repurchase	9	(3,277)	-
Income tax paid		(87,352)	(27,940)
Net cash provided by operating activities		**196,850**	**179,842**
Cash flows from investing activities			
Additions of property, plant and equipment		(87,107)	(93,827)
Proceeds from the sale of property, plant and equipment		138	195
Net cash used in investing activities		**(86,969)**	**(93,632)**
Cash flows from financing activities			
Bonds repurchase	21 (b)	(128,470)	-
Payments of loans and financings and prepayment of fair value debt	21 (b)	(1,413)	(91,212)
Payments of lease liabilities		(7,543)	(1,693)
Net cash used in financing activities		**(137,426)**	**(92,905)**
Foreign exchange effects on cash and cash equivalents		(1,037)	(1,847)
Decrease in cash and cash equivalents		**(28,582)**	**(8,542)**
Cash and cash equivalents at the beginning of the year		272,086	280,628
Cash and cash equivalents at the end of the year	**14**	**243,504**	**272,086**
Non-cash investing and financing transactions			
Write-offs of property, plant and equipment		-	3,846
Other equity movements		(894)	-
Additions to right-of-use assets		(2,390)	(2,227)
Decrease in loans and financings at fair value		-	(15,634)

The accompanying notes are an integral part of these consolidated financial statements.

(Free translation from the original in Spanish)

Nexa Resources Perú S.A.A. and subsidiaries

Consolidated statement of changes in shareholders' equity
At and for the years ended on December 31
All amounts in thousands of US$ dollars, unless otherwise stated

	Equity attributable to owners of the controlling entity							
	Capital	**Investment shares**	**Legal reserve**	**Other equity reserves**	**(Cumulative deficit) retained earnings**	**Total**	**Non-controlling interests**	**Total shareholders' equity**
At January 1, 2021	**423,334**	**4,551**	**84,766**	**(5,575)**	**(60,882)**	**446,194**	**(9,504)**	**436,690**
Net income (loss) for the year	-	-	-	-	136,714	136,714	(345)	136,369
Other comprehensive loss for the year	-	-	-	(7,522)	-	(7,522)	-	(7,522)
Total comprehensive (loss) income for the year	-	-	-	**(7,522)**	**136,714**	**129,192**	**(345)**	**128,847**
Transfer of the changes in fair value of prepaid debt related to changes in the Company's own credit risk to retained earnings - Note 29(d)	-	-	-	**13,097**	**(13,097)**	-	-	-
At December 31, 2021	**423,334**	**4,551**	**84,766**	**-**	**62,735**	**575,386**	**(9,849)**	**565,537**
Net income for the year	-	-	-	-	94,845	94,845	441	95,286
Total comprehensive income for the year	-	-	-	-	**94,845**	**94,845**	**441**	**95,286**
Other equitity movements	-	-	-	386	-	386	508	894
At December 31, 2022	**423,334**	**4,551**	**84,766**	**386**	**157,580**	**670,617**	**(8,900)**	**661,717**

The accompanying notes are an integral part of these consolidated financial statements.

1 General information

Nexa Resources Perú S.A.A. ("the Company" or "Nexa Peru") is a public limited company incorporated in Peru in 1949. The Company trades its common (symbol NEXAPEC1) and investment (symbol NEXAPEI1) shares on the Lima Stock Exchange ("Bolsa de Valores de Lima"). The Company's registered office is located at Avenida Circunvalación del Club Golf Los Incas N° 170, Torre El Golf (Block A), Piso 22, Santiago de Surco, Lima, Peru.

The Company and its subsidiaries ("the Group") are mainly engaged in the exploration, exploitation, production and commercialization of zinc, copper and lead concentrates; the last two with gold and silver contents. The Group's mining units are located in the regions of Pasco, Ica and Moquegua in Peru.

The Company is an indirect subsidiary of Nexa Resources S.A. (the "Parent Company" or "NEXA"), an entity based in Luxembourg that trades its shares on the New York Stock Exchange ("NYSE").

Through Nexa Resources Cajamarquilla S.A. (the "Controlling entity" or "NEXA Cajamarquilla") controls, NEXA controls 83.37% of the Company's common shares.

NEXA's majority shareholder is Votorantim S.A. ("VSA"), which holds 64.68% of its equity. VSA is a Brazilian privately-owned industrial conglomerate that holds ownership interests in metal, steel, cement, and energy companies, among others.

Operating segments

The Group's Chief Executive Officer has been identified as the chief operating decision maker ("CODM") since the role encompasses authority over resource allocation decisions and performance assessment, mainly analyzing performance from the production obtained in the operations. The Group has identified one single reportable segment:

- Mining: consists of the long-life polymetallic mines located in the Pasco, Ica and Moquegua regions in Peru. In addition to zinc, the Group produces substantial amounts of copper, lead, silver, and gold as by-products, which reduce the overall cost to produce mined zinc.

2 Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS, as issued by the International Accounting Standards Board ("IASB") in force at the date of the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost conversion, except for certain financial assets and financial liabilities (including derivative financial instruments) measured at fair value at the end of each reporting period.

Approval of the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2022 were approved for issue by the Board of Directors on February 15, 2023 and will be presented for the approval of the Shareholders within the term established by Law. Group's Management considers that the consolidated financial statements will be approved without modifications at the General Shareholders' Meeting that will take place during the first quarter of 2023. On March 30, 2022, the General Shareholders' Meeting approved the audited consolidated financial statements for the year ended on December 31, 2021 through a virtual session, held within the framework of the provisions of its bylaws.

All amounts in thousands of US$ dollars, unless otherwise stated

3 Principles of consolidation

The consolidated financial statements comprise the financial statements of Nexa Peru and its subsidiaries on December 31,2022.

The main entities included in the consolidated financial statements are:

	Percentage of shares		Company		
	2022	2021	controls	Headquarter	Activities
Subsidiaries					
Nexa Resources El Porvenir S.A.C.	99.99	99.99	Directly	Peru	Mining
Nexa Resources Atacocha S.A.A. - "Nexa Atacocha"	66.62	66.62	Indirectly	Peru	Mining
Minera Pampa de Cobre S.A.C.	99.99	99.99	Directly	Peru	Mining
Nexa Resources UK Limited	100.00	100.00	Directly	United Kingdom	Mining
Joint-operation					
Cia. Minera Shalipayco S.A.C.	75.00	75.00		Peru	Mining projects

(a) Subsidiaries

Subsidiaries include all entities over which the Group has control. The Group controls an entity when it (i) has the power over the entity; (ii) is exposed, or has the right, to variable returns from its involvement with the entity; and (iii) has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, except when the predecessor basis of accounting is applied. Subsidiaries are unconsolidated from the date that control ceases.

Accounting policies of subsidiaries are usually consistent with the policies adopted by the Group.

If there are differences, to ensure the accounting policies' standardization, an adjustment is performed in the consolidation process.

Non-controlling interests in the subsidiaries' equity and results are shown separately in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in shareholders' equity.

A change in a subsidiary's ownership interest, without loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling interests and other equity components and any resultant gain or loss is recognized in the income statement. Any investment retained is recognized at fair value.

In general, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting rights of an investee, it considers all relevant facts and circumstances to determine whether it has power over this investee. This may include contractual arrangements with the other holders of voting rights in the investee; rights arising from other contractual arrangements and the Group's voting rights and potential voting rights that will give it the practical ability to direct the relevant activities of the investee unilaterally.

Intercompany transactions, balances, and unrealized gains on transactions between companies in the consolidated group are eliminated in full on consolidation. Unrealized losses are also eliminated unless the transaction indicates impairment of the transferred asset.

(b) Joint operations

The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held assets or incurred liabilities or revenues and expenses. These have been included in the consolidated financial statements under the appropriate headings.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(c) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in a loss of control are recognized within shareholders' equity as transactions with equity owners of the consolidated Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amounts of the adjustment to non-controlling interests and any consideration paid or received is recognized in Additional paid in capital within shareholders' equity.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ("the functional currency"). All subsidiaries have US$ Dollar (US$) as their functional currency, including foreign subsidiaries. The Group's consolidated financial statements are presented in US$, which is Group's functional currency and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are initially recorded by each of the Company's entities at their respective functional currency spot rates at the date the transaction is recognized.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the functional currency spot rates at the end of each reporting period, are recognized in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the functional currency spot rates at the end of each reporting period are recognized in the income statement. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

4 Changes in the main accounting policies and disclosures

(a) New standards and amendments – applicable as of January 1, 2022 or thereafter

There were some new standards and amendments effective for annual periods commencing on January 1, 2022. The adoption of these new standards and amendments did not have a material impact on the Group's consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and does not expect that the adoption of such issued but not early adopted standard, interpretation or amendment will have a material impact on the Group's consolidated financial statements.

(b) Critical estimates, assumptions and judgments

The preparation of the Group's consolidated financial statements requires the use of estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Critical estimates, assumptions and judgments, by definition, will seldom equal the actual results and are continually evaluated to reflect changing expectations about future events. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong due to their uncertainty. Detailed information about each of these estimates, assumptions and judgments is included in other notes together with information about the basis of calculation for each affected item in the consolidated financial statements.

The critical accounting estimates, assumptions and judgments applied by the Group in the preparation of these consolidated financial statements are as follows:

(i) Estimation of current and deferred income tax – note 10
(ii) Estimation of fair value of financial instruments – note 13
(iii) Estimation of impairment of trade accounts receivables – note 15
(iv) Estimation of quantification of mineral reserves and resources for useful life calculation – note 20
(v) Estimation of asset retirement and environmental obligations – note 25
(vi) Estimation of contractual obligations – note 26
(vii) Estimation of provisions for legal claims – note 28
(viii) Estimation impairment of long-lived assets – note 30

Critical estimates, assumptions and judgments are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Among others, the Group has considered the effects of the Environmental, Social and Governance ("ESG") commitments when making its critical, estimates, assumptions and judgments based on the long-term ESG commitments announced by NEXA on October 6, 2022. Events and changes in circumstances arising after December 31, 2022, will be reflected in management's estimates for future periods.

Ukraine war impacts on the Group´s financial statements and operations

The invasion of Ukraine by Russia, the resulting conflict, and retaliatory measures by the global community have created global security concerns and economic uncertainty, including the possibility of expanded regional or global conflict, which have had, and are likely to continue to have, adverse impacts around the globe. Potential ramifications include disruption of the supply chain, which may impact production, investment, and demand for the Group's products, higher and more volatile prices for oil and gas, volatility in commodity prices, and disruption of global financial markets, further exacerbating overall macroeconomic trends including inflation and rising interest rates. As of the date of issuance of these consolidated financial statements, we have not identified any material impacts on the Group´s operations, financial condition, or cash flows related to this war. However, the Group cannot predict any future impact that this war could have on its business and operations and continues to closely monitor the developments related to it.

Peruvian political instability impact on the Group's consolidated financial statements and operations

As of the date of the issuance of these consolidated financial statements, there have been no identified impacts on the Group´s operations, financial condition, or cash flows that could be related to this political situation. However, the Group cannot predict any future impact that this situation could have on its business and operations and continues to closely monitor the developments related to it, mainly considering that the Peruvian mining sector, as well as other economic sectors have been affected in some ways, such as logistics and personnel transport.

5 Net revenues

Accounting policy

Revenues represent the amount of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenues are shown net of value-added tax, returns, rebates and discounts, after eliminating sales between the consolidated companies.

The Group recognizes revenues when a performance obligation is satisfied by transferring a promised good or service to a customer. The asset is transferred when the customer obtains control of that asset. To determine the point in time at which a customer obtains control of a promised asset the Group considers the following indicators: (i) the Group has a present right to payment for the asset; (ii) the customer has legal title to the asset; (iii) the Group has transferred physical possession of the asset; (iv) the customer has the significant risks and rewards of ownership of the asset; (v) the customer has accepted the asset.

<u>Identification and timing of satisfaction of performance obligations</u>

The Group has two distinct performance obligations included in certain sales contracts:

(i) the promise to provide goods to its customers; and (ii) the promise to provide freight and insurance services to its customers.

Promise to provide goods: this performance obligation is satisfied when the control of such goods is transferred to the final customer, which is substantially determined based on the Incoterms agreed upon in each of the contracts with customers.

Promise to provide freight and insurance services: this performance obligation is satisfied when the freight and insurance services contracted to customers are completed.

All amounts in thousands of US$ dollars, unless otherwise stated

As a result of the distinct performance obligations identified, part of the Group's revenues is presented as revenues from services. Cost related to revenues from services is presented as Cost of sales.

Revenues from the sale of goods and from freight and insurance services are recognized at a point in time when control is transferred and when contracted services are provided. It is at this point that a trade receivable is recognized because only the passage of time is required before the consideration is due. The Group does not have any contract assets, which give right to consideration in exchange for goods or services that the Group has transferred to the customer, since all rights to consideration of the contracts are unconditional.

Revenues of US$273,179 are derived from a single related customer, as explained in note 18 (b).

Deferred revenues are related to contractual obligations that are an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer (or the payment is due) but the transfer has not yet been completed. For contracts where performance obligations are satisfied over a period of time, the stage of completion is required to calculate how much revenue should be recognized to date and revenue shall be deducted from the prepayment to the extent that performance obligations are delivered. Refer to note 26 for the specific accounting policy and information related to the Group's contractual obligations.

Determining the transaction price and the amounts allocated to performance obligations

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration that the Group expects to be entitled to receive in exchange for transferring promised goods or services to its customers. Transaction price is allocated to each performance obligation on a relative standalone selling price basis.

The transaction prices included in the Group's sales contracts are mainly based on international prices references and subject to price adjustments based on the market price at the end of the relevant quotation period stipulated in the sales contract. These are referred to as provisional pricing arrangements which are subject to a monthly price adjustment as per the London Metal Exchange ("LME") quotational periods. As of December 31, 2022, the pending price adjustments to be made were a profit of US$ 11,879 (loss of US$ 5,655 as of December 31, 2021).

Additionally, the Group has a contractual obligation related to a long-term silver streaming arrangement linked to specific production of its Cerro Lindo mine. The Group received an upfront payment in advance of this specific production. The transaction price is linked to the silver production and spot market prices, which change over time and, therefore, it is accounted for as variable consideration. For more details about this streaming transaction see note 26.

(a) Composition

(i) Gross billing reconciliation

	Note	2022	2021
Gross billing		**1,037,014**	**972,211**
Billing from products		1,018,218	958,973
Billing from services	6 (i)	18,796	13,238
Taxes on sales		(144,625)	(143,640)
Net revenues		**892,389**	**828,571**

All amounts in thousands of US$ dollars, unless otherwise stated

(ii) Breakdown

	Value				Amount	
	2022	**2021**		**2022**		**2021**
Zinc	355,869	325,871	277,928	TMS	300,216	TMS
Lead	227,683	180,403	94,801	TMS	68,064	TMS
Copper	264,718	277,574	124,337	TMS	113,887	TMS
Silver certificates	25,323	31,485	2,077	Thousands Oz	2,258	Thousands Oz
Services	18,796	13,238				
Net revenues	**892,389**	**828,571**				
Taxes on sales	144,625	143,640				
Gross billing	**1,037,014**	**972,211**				

(b) Information on geographical areas in which the Group operates

The geographical areas are determined based on the location of the Group's customers. The net revenues of the Group, classified by geographical location are as follows:

	2022	2021
Peru	776,799	740,413
America	115,590	83,054
Europe	-	5,104
Net revenues	**892,389**	**828,571**

6 Expenses by nature

Accounting policy

Cost of sales mainly consists of the cost of manufacturing the concentrates sold by the Group and is recognized in the income statement on the date of delivery to the customer at the same time revenue is recognized from the related sale.

Selling and administrative expenses are recognized on the accrual basis regardless of when they are paid and, if applicable, in the same period in which the income they are related is recognized.

Mineral exploration and project evaluation is referred in note 7.

(a) Composition

				2022	2021
	Cost of sales (ii)	**Selling and administrative expenses**	**Mineral exploration and project evaluation**	**Total**	**Total**
Third-party services (i)	(253,494)	(13,678)	(32,670)	(299,842)	(303,190)
Raw materials and consumables used	(147,823)	-	(579)	(148,402)	(110,351)
Employee benefit expenses	(64,247)	(18,398)	(4,063)	(86,708)	(77,788)
Depreciation and amortization	(80,458)	(421)	-	(80,879)	(80,503)
Other expenses	(11,827)	(750)	(5,016)	(17,593)	(10,190)
	(557,849)	**(33,247)**	**(42,328)**	**(633,424)**	**(582,022)**

(i) Third-party services mainly include the cost of freight and insurance. For the year ended on December 31, 2022, is US$ 18,796 (for the year ended on December 31, 2021: US$ 13,238), see note 5.

All amounts in thousands of US$ dollars, unless otherwise stated

(ii) As of December 31, 2022, the Group recognized US$ 2,197 in Cost of sales related to Atacocha's abnormal production costs due to the illegal disruption caused by protest activities undertaken by communities, which resulted in the temporary suspension of this mine's production during many days in March and May 2022 (for the year ended on December 31, 2021: US$ 4,648).

7 Mineral exploration and project evaluation

Accounting policy

Mineral exploration and project evaluation costs are expensed in the year in which they are incurred.

Mineral exploration activities involve the search for mineral resources from potential areas up to the determination of commercial viability and technical feasibility of an identified resource. Mineral exploration costs include gathering exploration data through geological and geophysical studies, conducting exploratory drilling and sampling, and determining and examining the volume and grade of the identified resources.

Project evaluation costs are mainly related to scoping, pre-feasibility and feasibility studies for greenfield and brownfield projects. Additionally, these evaluation costs could also include costs incurred for studies related to other corporate project, research, innovation, automation and information technology projects.

Note 20 describes when mineral exploration and projects evaluation costs begin to be capitalized.

Composition

	2022	2021
Mineral exploration	33,947	36,936
Projects evaluation	8,381	7,119
	42,328	**44,055**

8 Other income and expenses, net

	Note	2022	2021
Remeasurement of asset retirement obligations	25 (a)	3,361	(5,570)
Contribution to communities (i)		(14,403)	(4,896)
Impairment of other assets (ii)		(9,190)	-
Provisions of legal claims, net		(2,038)	(7,900)
Expenses on temporary suspension of underground mine		(3,271)	(3,550)
Net (loss) gain in the sale of supplies		(1,645)	1,505
Environmental obligations		(442)	(1,490)
Other operating (loss) income		(110)	724
		(27,738)	**(21,177)**

(i) Contribution to communities include expenses in road maintenance, water supply and other constructions in our host communities.

(ii) During the month of December, 2022 Management decided not to continue with the exploration of the Shalipayco project, which is included within the entity Compañía Minera Shalipayco S.A.C. Due to this decision, Management does not expect to recover any asset related with the entity, and such assets were impaired.

All amounts in thousands of US$ dollars, unless otherwise stated

9 Net financial results

Accounting policy

(i) Financial expenses

Financial costs of obligations are recognized as expenses when accrued, except for those directly attributable to the acquisition or the construction of qualifying assets, that is, assets that require a substantial time to be ready for use, which are capitalized at cost within Property, plant and equipment and/or Intangibles assets to which they relate.

(ii) Financial income

Financial income is mainly composed of interest income and is recognized on an accrual basis to reflect the asset's effective yield under the effective interest rate method.

(iii) Other financial items, net

Other financial items net is composed by the net of the income and expenses related to the fair value of loans and financings, derivative financial instruments, and foreign exchange.

(a) Composition

	Note	2022	2021
Financial income			
Commission for guarantee of bonds issued by NEXA		6,950	6,989
Interest on trade receivables with related parties		4,962	3,554
Interest income on cash equivalents		2,014	402
Other financial income		77	648
		14,003	**11,593**
Financial expenses			
Interest on asset retirement obligations	25	(11,809)	(2,656)
Accretion on contractual obligations	26	(5,801)	(6,936)
Premium paid on bonds repurchase (i)		(3,277)	-
Interest contingency		(2,225)	-
Interest on loans and financings		(1,592)	(10,074)
Other financial expenses		(2,399)	(1,581)
		(27,103)	**(21,247)**
Other financial items, net			
Foreign exchange effects, net		(4,836)	1,159
Fair value of loans and financings	21 (b)	-	20,823
Derivative financial instruments (ii)		-	(6,850)
		(4,836)	**15,132**
Net financial results		**(17,936)**	**5,478**

(i) Amount related to the premium paid on the bonds repurchased in the early redemption and cancellation, as explained in note 21(b).

(ii) Amount related to the SWAP contract prepaid on July 9, 2021.

10 Current and deferred income tax

Accounting policy

The income tax expense for the year comprises current and deferred income tax, special mining levy and the special mining tax. Tax expense is recognized in the consolidated statement of comprehensive income.

The current income tax expense of the Company and of its domestic subsidiaries is calculated and recognized in accordance with the Peruvian tax regime in force and, in the case of its subsidiaries domiciled abroad, in accordance with the applicable tax regime in the country in which they operate. Management periodically evaluates positions taken by the Group in the taxes on income returns with respect to situations in which the applicable tax regulation are subject to interpretation. It establishes provisions where appropriate, considering amounts expected to be paid to the tax authorities.

The current income tax is presented net, separated by tax paying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount as of the date of the consolidated financial statements.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and that are expected to be applied when the related deferred income taxes asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent it is probable that future taxable income will be available against which the temporary deductible differences and/or tax losses can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right and an intention to offset them in the calculation of current taxes, generally when they are related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not on a net basis.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amounts and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not be reversed in the foreseeable future.

Critical accounting estimates, assumptions and judgments

The Group is subject to income tax in all countries in which it operates where uncertainties arise in the application of complex tax regulations. Significant estimates, assumptions and judgments are required to determine the amount of deferred tax assets that would be recovered since this amount may be affected by factors including, but not limited to: (i) internal assumptions on the projected taxable income, which are based on production and sales planning, commodity prices, operational costs and planned capital costs; (ii) macroeconomic environment; and (iii) trade and tax scenarios.

In addition, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Group also exercises judgment in the identification of these uncertainties over income tax treatments which could impact the consolidated financial statements as the Group operates in a complex multinational environment.

All amounts in thousands of US$ dollars, unless otherwise stated

The Company and its subsidiaries are subject to reviews of income tax filings and other tax payments, and disputes can arise with the taxing authorities over the interpretation of the applicable laws and regulations.

(a) Reconciliation of income tax (expense)

	2022	2021
Income before income tax	161,420	230,850
Statutory income tax rate	29.50%	29.50%
Income tax (expense) at standard rate	(47,619)	(68,101)
Tax effect of traslation of non-monetary assets/liabilities to functional currency	8,383	(15,180)
Special mining levy and special mining tax	(10,039)	(17,279)
Mining royalties	(3,283)	-
Difference in tax rate between other mining units (i)	-	20,858
Temporary items for the year without expectation of recovery	405	536
Unrecognized deferred tax on net operating losses	(6,018)	(10,664)
Reversal of deferred asset without expectation of recovery	(3,808)	(463)
Other permanent tax differences	(4,155)	(4,188)
Income tax expense	**(66,134)**	**(94,481)**
Current	(70,258)	(68,182)
Deferred	4,124	(26,299)
Income tax expense	**(66,134)**	**(94,481)**

(i) The Group’s activities are subject to the general income tax regime. The income tax rate applicable by the Company and its subsidiaries in 2022 is 29.5%. In 2021, this rate was 29.5% for the operations under the general income tax regime and 20% for the Cerro Lindo operations which was taxed under the laws and guarantees of a stability agreement signed by the Company and valid until the end of 2021.

(b) Analysis deferred income tax assets and liabilities

	2022	2021
Tax credits on net operating losses	2,225	737
Uncertain income tax treatments	(4,031)	(54)
Tax credits on temporary differences		
Differences in depreciation and amortization rates	6,007	13,514
Impairment of long-lived assets	22,943	14,544
Asset retirement obligations	4,915	6,191
Labor and environmental provisions	496	971
Pre-operating expenses	-	2,799
Provision for obsolete and slow-moving inventory	2,067	1,897
Other	4,863	6,285
Tax debits on temporary differences		
Foreign exchange of non-monetary items	(22,128)	(33,103)
Asset retirement obligations	(327)	(1,259)
Other	(2,801)	-
	14,229	**12,522**
Deferred income tax assets	14,630	12,539
Deferred income tax liabilities	(401)	(17)
	14,229	**12,522**

All amounts in thousands of US$ dollars, unless otherwise stated

(c) Effects of deferred tax on income statement and other comprehensive income

	2022	2021
Balance at the beginning of the year	**12,522**	**40,940**
Uncertain income tax treatments	(1,863)	214
Effect on comprehensive income	-	(2,333)
Effect on loss for the year	4,124	(26,299)
Other movements of deferred income tax	(554)	-
Balance at the end of the year	**14,229**	**12,522**

(d) Summary of uncertain tax positions on income taxes

There are discussions and ongoing disputes with tax authorities related to uncertain tax positions adopted by the Group in the calculation of its income tax, and for which Management, supported by its legal counsel, concluded that the risk of loss is not more likely to occur, and then, it is not probable that an outflow of resources will be required. In such cases, a provision is not recognized. As of December 31, 2022, the main legal proceedings are related to: (i) the interpretation of the application of Cerro Lindo´s stability agreement; (ii) the deductibility of cost and expenses; (iii) the depreciation of certain fixed assets; and, (iv) other provisions.

The estimated amount of these contingent liabilities on December 31,2022 is US$ 238,788 which increased compared to that estimated on December 31, 2021 of US$ 77,559, mainly due to the closing of tax audits regarding the tax stability of Cerro Lindo for the years 2014, 2015 and 2016; and, the review of the likelihood of losses of certain uncertainties.

Regarding Cerro Lindo´s stability agreement, SUNAT concluded its income tax audit of NEXA PERU, releasing tax assessments for 2014, 2015 and 2016. As of result of these procedures, SUNAT determined an amount to be paid by the Company of US$ 169,792 (including principal, penalties and interests updated as of December 2022) arguing that NEXA PERU's income tax expense should be calculated considering the Peruvian statutory income tax rate of 30% (2014) and 28% (2015 and 2016) instead of 20% applied of stability agreement granted to Cerro Lindo's operations.

According to SUNAT, the Company should separate the income derived from the facilities built under the approved feasibility study (which includes a plant with a production capacity of 5,000 tpd) from other facilities and since this is not possible, SUNAT disregarded 100% of the stabilized rate.

In 2022, the Company filed its defenses stating that this assessment was noncompliant with applicable law mainly because i) SUNAT determined a presumed tax base that is expressly denied by the Peruvian Tax Code; and ii) SUNAT misinterpreted the Stability Agreement scope. Regarding year 2014, SUNAT released an unfavorable decision in which its position against the Company. On October 7, 2022, the Company filed its appeal reinforcing the arguments presented in tax audit.

Company's Management, supported by the opinion of its external advisors, concluded that there are strong legal grounds to obtain a favorable outcome ("more likely than not") in this discussion and, accordingly, no contingency provision has been set up regarding the Stability Agreement discussion. Among other arguments, the Company understands that there are no legal grounds for SUNAT to presume the corporate income tax basis. According to Company advisors the presumption applied by SUNAT enhances the Company position in comparison to other cases discussing Stability Agreements in Peru.

Finally, the Company is being audited by SUNAT for 2017 and 2018 fiscal years, and 2019 onwards are still opened. Even if SUNAT maintains its position disregarding the stabilized rate and taxing the whole Company's income at the statutory income tax rate for these years, the Company will keep maintaining its position that no provision regarding the Stability Agreement discussion should be recognized. This evaluation must be periodically updated, reflecting changes on tax jurisprudence and regulations in force.

11 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: a) market risk (including currency risk, interest rate risk and commodities risk); b) credit risk; and c) liquidity risk.

A significant portion of the products sold by the Group are commodities, with prices pegged to international indices and denominated in US$. Part of the production costs, however, is denominated in Peruvian Soles ("PEN"), and therefore, there is a mismatch of currencies between revenues and costs. Additionally, the Group has debts linked to different indices and currencies, which may impact its cash flows.

In order to mitigate the potential adverse effects of each financial risk factor, the Group follows a Financial Risk Management Policy that establishes governance and guidelines for the financial risk management process, as well as metrics for measurement and monitoring. This policy establishes guidelines and rules for: (i) Commodities Exposure Management, (ii) Foreign Exchange Exposure Management, (iii) Interest Rate Exposure Management, (iv) Issuers and Counterparties Risk Management, and (v) Liquidity and Financial Indebtedness Management. All strategies and proposals must comply with the NEXA's Financial Risk Management Policy guidelines and rules, be presented to and discussed with the Finance Committee of the Board of Directors, and, when applicable, submitted for the approval of the Board of Directors, under the governance structure described in such Policy.

(a) Market risk

The purpose of the market risk management process and all related actions are intended to protect the Group's cash flows against adverse events, such as changes in foreign exchange rates, interest rates and commodity prices, to maintain the ability to pay financial obligations, and to comply with liquidity and indebtedness levels defined by Management.

All amounts in thousands of US$ dollars, unless otherwise stated

(i) Sensitivity analysis

Presented below is a sensitivity analysis of the main risk factors that affect the pricing of the outstanding financial instruments relating to cash and cash equivalents, and loans and financings. The main sensitivities are the exposure to changes in the US$ and Peruvian Soles exchange rate. The scenarios for these factors are prepared using market sources and other relevant sources, in compliance with the Group's policies. The scenarios on December 31, 2022 are described below:

Scenario I: considers a change in the market forward yield curves and quotations as of December 31, 2022, according to the base scenario defined by the Group for March 31, 2023.

Scenario II: considers a change of + or -25% in the market forward yield curves as of December 31, 2022.

Scenario III: considers a change of + or -50% in the market forward yield curves as of December 31, 2022.

					Impacts on income statement			
					Scenarios II and III			
Risk factor	**Quotation at December 31, 2022**	**Amount**	**Changes from 2022**	**Scenario I**	**-25%**	**-50%**	**+25%**	**+50%**
Cash and cash equivalents								
Foreign exchange rates								
PEN	0.2639	21,808	-5.41%	(1,180)	(5,452)	(10,904)	5,452	10,904
Loans and financings								
Foreign exchange rates								
PEN	0.2639	443	-5.41%	24	111	222	(111)	(222)

All amounts in thousands of US$ dollars, unless otherwise stated

(ii) Foreign exchange risk

Foreign exchange risk is managed through the Group's Financial Risk Management Policy, which states that the objectives of derivative transactions are to reduce cash flow volatility.

Presented below are the financial assets and liabilities in foreign currencies (PEN and Brazilian Reais ("BRL") converted to US$) on December 31, 2022 and 2021.

US$ amounts of foreign currency balances	**2022**	**2021**
Assets		
Cash and cash equivalents	21,808	9,627
Other assets	11,677	8,142
	33,485	**17,769**
Liabilities		
Loans and financings	(443)	(1,783)
Trade payables	(25,534)	(25,881)
Salaries and payroll charges	(30,825)	(34,273)
Other liabilities	(18,815)	(16,341)
	(75,617)	**(78,278)**
Net exposure	**(42,132)**	**(60,509)**

(iii) Interest rate risk

The Group's interest rate risk arises mainly from long-term loans. Loans at variable rates expose the Group to cash flow interest rate risk. Loans at fixed rates expose the Group to fair value risk associated with interest rates. For further information related to interest rates, refer to note 21.

The Group's Financial Risk Management Policy establishes guidelines and rules to hedge against changes in interest rates that impact the Group's cash flows. Exposure to each interest rate is projected until the maturity of the assets and liabilities exposed to this index. Occasionally the Group enters into floating to fixed interest rate swaps to manage its cash flow interest rate risk.

(iv) Commodity price risk

The commodity price risk is related to the volatility in the prices of the Group's commodities. Prices fluctuate depending on demand, production capacity, inventory levels, commercial strategies adopted by large producers, and the availability of substitutes for these products in the global market.

Therefore, Financial Risk Management maintains strict control of its operating costs and makes important productive and technological investments, in order to maintain competitive cost levels.

At December 31, 2022 and 2021 the Group did not have hedging contracts.

(b) Credit risk

Trade receivables and term deposits create exposure to credit risk with respect to the counterparties and issuers. The Group has a policy of making deposits in financial institutions that have, at least, a rating from two of the following international rating agencies: Fitch, Moody's or Standard & Poor's. The minimum rating required for counterparties is determined as follows:

- Onshore operations: rating "A", or equivalent, on a local scale by two rating agencies. In the case of foreign financial institutions that have a local rating by only one rating agency, it should be at least "AA-", and its headquarters should have a rating "A" minimum on a global scale.

All amounts in thousands of US$ dollars, unless otherwise stated

- Offshore operations: rating "BBB-", or equivalent, on a global scale by two rating agencies.

In the case of financial institutions, local ratings from local agencies associated with rating agencies approved in the Group's policy are accepted. In case that only a global rating is available, it will be eligible provided that it has a rating "BBB-" at least by one rating agency.

In the case of financial institutions that do not have a rating available for a specific country, it will be eligible provided that its headquarters follow the minimum ratings specified above.

The pre-settlement risk methodology is used to assess counterparty risks in derivative transactions. This methodology consists of determining the risk associated with the likelihood (via Monte Carlo simulations) of a counterparty defaulting on the financial commitments defined by contract.

The global ratings were obtained from the rating agencies Fitch, Moody's or Standard & Poor's ratings and are related to commitments in foreign or local currency and, in both cases, they assess the capacity to honor these commitments, using a scale applicable on a global basis. Therefore, both ratings in foreign currency and in local currency are internationally comparable ratings.

The ratings used by the Group are always the most conservative ratings of the referred agencies.

In the case of credit risk arising from customer credit exposure, the Group assesses the credit quality of the customer, considering mainly the history of the relationship and financial indicators defining individual credit limits, which are continuously monitored.

The Group performs initial analyses of customer credit and, when deemed necessary, guarantees or letters of credit are obtained to mitigate the credit risk.

The carrying amount of the Group's financial instruments best represents the maximum exposure to their credit risk.

The following table reflects the credit quality of issuers and counterparties for transactions involving cash and cash equivalents. The variations presented are mainly related to the Group's transactions in the year and not to changes in the counterparties' ratings.

			2022			**2021**
Cash and cash equivalents	**Local rating**	**Global rating**	**Total**	**Local rating**	**Global rating**	**Total**
AAA	104,788	-	104,788	-	-	-
A+	-	60,810	60,810	18,170	224,435	242,605
A	-	41,729	41,729	9,707	10,000	19,707
A-	-	19,874	19,874	-	6,211	6,211
AA-	-	15,958	15,958	-	3,252	3,252
No rating (i)	-	345	345	-	311	311
	104,788	**138,716**	**243,504**	**27,877**	**244,209**	**272,086**

(i) Refers to subsidiaries of international financial institutions that do not have a global rating available in the international rating agencies. According to the Group's policy, for these financial institutions, the rating of the financial institution controlling entities is assumed, which must be at least BBB-.

All amounts in thousands of US$ dollars, unless otherwise stated

(c) Liquidity risk

Liquidity risk is managed through the Group's Financial Risk Management Policy, which aims to ensure the availability of funds to meet the Group's financial obligations. The main liquidity measurement and monitoring instrument is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

The table below shows the Group's financial obligations to be settled by the Group based on their maturity (the remaining period from the balance sheet up to the contractual maturity date). The amounts below represent the estimated undiscounted future cash flows, which include interests to be incurred and, accordingly, do not reconcile directly with the amounts presented in the consolidated balance sheet.

2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Loans and financings	443	-	-	-	443
Lease liabilities	1,547	1,489	-	-	3,036
Trade payables	155,165	1,266	-	-	156,431
Confirming payables	3,368	-	-	-	3,368
Other liabilities	14,107	72	-	-	14,179
Asset retirement and environmental obligations	13,167	37,226	73,910	50,013	174,316
	187,797	**40,053**	**73,910**	**50,013**	**351,773**

2021	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Loans and financings	7,314	131,865	-	-	139,179
Lease liabilities	6,298	1,289	360	-	7,947
Trade payables	146,508	-	-	-	146,508
Confirming payables	5,942	-	-	-	5,942
Other liabilities	17,883	43	-	-	17,926
Asset retirement and environmental obligations	9,912	40,086	61,740	54,827	166,565
	193,857	**173,283**	**62,100**	**54,827**	**484,067**

(d) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividends level of paid to shareholders, return capital to shareholders, issue new shares or sell assets or concentrates produced to reduce debt. The Group monitors capital mainly using the leverage ratio, calculated as net debt to Adjusted EBITDA.

During December, 2022, the Group updated its definition of Adjusted EBITDA as follows: net income (loss) for the year, adjusted by (i) depreciation and amortization, (ii) net financial results, (iii) income tax, (iv) (loss) gain on sale of investments, (v) impairment and impairment reversals, (vi) (loss) gain on sale of long-lived assets; (vii) write-offs of long-lived assets; and, (viii) remeasurement in estimates of asset retirement obligations. In addition, management may adjust the effect of certain types of transactions that in its judgment are not indicative of the Group´s normal operating activities, or do not necessarily occur on a regular basis. For comparative purposes, the related 2021 amounts have also been adjusted following this updated definition.

All amounts in thousands of US$ dollars, unless otherwise stated

Net debt and Adjusted EBITDA measures should not be considered in isolation or as a substitute for net income (loss) or operating income, as indicators of operating performance, or as alternatives to cash flow as measures of liquidity. Additionally, Management's calculation of Adjusted EBITDA may be different from the calculation used by other companies, including competitors in the mining industry, so these measures may not be comparable to those of other companies.

	Note	2022	2021
Loans and financings	21 (a)	443	131,645
Lease liabilities		2,738	7,860
Cash and cash equivalents	14 (a)	(243,504)	(272,086)
Net debt (i)		**(240,323)**	**(132,581)**
Net income for the year		95,286	136,369
Plus			
Depreciation and amortization	6	80,879	80,503
Net financial results	9	17,936	(5,478)
Income tax expense	10	66,134	94,481
EBITDA (ii)		**260,235**	**305,875**
Impairment of long-lived assets	30	51,871	-
Impairment of other assets		9,190	(700)
Loss on sale of property, plant and equipment		505	693
Remeasurement in estimates of asset retirement obligations	8	(3,361)	5,570
Remeasurement adjustment of streaming agreement (ii)	26	10,565	19,580
Adjusted EBITDA		**329,006**	**331,018**
Leverage ratio (Net debt / Adjusted EBITDA)		**(0.73)**	**(0.40)**

(i) Net debt is defined as (a) loans and financings and lease liabilities, less (b) cash and cash equivalents.
(ii) This amount includes the annual remeasurement adjustment of the Group's silver streaming revenues previously recognized given the changes in long-term prices and in the mining plan for the Cerro Lindo mining unit (note 26). This remeasurement is a non-cash item and has been included in the Group's Adjusted EBITDA calculation.

The leverage ratio at December 31, 2022 and 2021 is presented with a negative value because the balances of cash and cash equivalents exceed the balance loans and financings and lease liabilities.

12 Financial instruments

Accounting policy

Normal purchases and sales of financial assets are recognized on the trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, if any, are initially recognized at fair value, and transaction costs are expensed in the consolidated income statement.

Financial assets are derecognized when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and other accounts receivable are carried at amortized costs using the effective interest rate method.

All amounts in thousands of US$ dollars, unless otherwise stated

Then, the Group classifies its financial assets and liabilities under the following categories: amortized cost and fair value through profit or loss.

(i) Amortized cost

Financial assets measured at amortized cost are assets held within a business model whose objective is to hold financial assets to collect contractual cash flows and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss, such as derivatives and some specific loans and financings.

(ii) Fair value through other comprehensive income

Financial assets measured at fair value through profit or loss are assets which an entity manages with the objective of realizing cash flows through the sale of such assets and financial assets that do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(a) Breakdown by category

The Group financial assets and liabilities are classified as follows:

				2022
Assets per balance sheet	**Note**	**Amortized cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	14	243,504	-	243,504
Trade accounts receivables	15	-	345,360	345,360
Other assets		11,964	-	11,964
		255,468	**345,360**	**600,828**

			2022
Liabilities per balance sheet	**Note**	**Amortized cost**	**Total**
Loans and financings	21	443	443
Lease liabilities		2,738	2,738
Trade payables	22	156,431	156,431
Confirming payables	23	3,368	3,368
Other liabilities		8,674	8,674
		171,654	**171,654**

				2021
Assets per balance sheet	**Note**	**Amortized cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents	14	272,086	-	272,086
Trade accounts receivables	15	-	340,263	340,263
Other assets		11,243	-	11,243
		283,329	**340,263**	**623,592**

All amounts in thousands of US$ dollars, unless otherwise stated

				2021
Liabilities per balance sheet	**Note**	**Amortized cost**	**Fair value through profit or loss**	**Total**
Loans and financings	21	131,645	-	131,645
Lease liabilities		7,860	-	7,860
Trade payables	22	146,508	-	146,508
Confirming payables	23	5,942	-	5,942
Other liabilities		9,474	-	9,474
		301,429	**-**	**301,429**

13 Fair value estimates

Critical accounting estimates, assumptions and judgments

The fair value of financial instruments that are not traded in an active and liquid market is determined using valuation techniques. The Group uses judgment to select among a variety of methods and makes estimates and assumptions that are mainly based on market conditions existing at the end of each reporting period.

Although Management has used its best judgment in estimating the fair value of its financial instruments, any technique for making said estimate involves some level of inherent fragility.

(a) Analysis

The main financial instruments and the estimates and assumptions made by the Group for their valuation are described below:

- Trade accounts receivable - considering their nature, terms and maturity, the carrying amounts approximate their fair value.

(b) Fair value by hierarchy

The Group's main financial instruments and the assumptions made in valuation are described as follows:

			2022
	Note	**Level 2**	**Total**
Assets			
Trade accounts receivables	15	345,360	345,360
		345,360	**345,360**

			2021
	Note	**Level 2**	**Total**
Assets			
Trade accounts receivables	15	340,263	340,263
		340,263	**340,263**

The Group discloses fair value measurements based on their level on the following fair value measurement hierarchy:

Level 1:

When fair value is calculated with quoted prices (unadjusted) in active markets for identical assets and liabilities traded in active markets at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2:

When fair value is calculated with valuation techniques since the financial instruments are not traded in an active market and all of the significant inputs required to identify the fair value of an instrument are observable. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments are used where available;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted to present value.

Other techniques, such as discounted cash flows analysis, are used to determine the fair value of the remaining financial instruments.

Level 3:

When fair value is calculated with inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). As of December 31, 2022, there were no financial assets and liabilities carried at fair value classified as Level 3.

Fair value estimates were assessed by the Group to evaluate the impacts of the COVID-19 and the only impact identified is related to the changes in the Group's credit risk which affect the fair value of debts which are designated as fair value option. Refer to note 21.

(c) Fair value measurement and disclosure

The valuation techniques used in the measurement and disclosure of fair value, including critical accounting estimates, assumptions and judgments made by the Group, are consistent with those used and disclosed in the audited consolidated financial statements at December 31, 2021. At December 31, 2022 loans and financings are measured at amortized cost. Along the year, there were certain contracts for which the Group had elected the fair value option and which were liquidated in July of 2021. The carrying amount of other financial instruments measured at amortized cost do not differ significantly from their fair value.

14 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash, bank deposits and, highly liquid short-term investments (investments with an original maturity less than 90 days) which are readily convertible into a known amount of cash and subject to an immaterial risk of changes in value.

All amounts in thousands of US$ dollars, unless otherwise stated

Interest on interest-bearing bank and time deposits are recognized on a time-proportion basis to reflect the effective yield of the assets under the effective interest rate method.

Composition

	2022	2021
Cash and banks	126,733	112,884
Term deposits	116,771	159,202
	243,504	**272,086**

15 Trade accounts receivables

Accounting policy

Trade accounts receivables are amounts due from customers for goods sold or services provided in the ordinary course of the Group's business.

Trade accounts receivables are recognized initially at fair value and subsequently measured at:

(i) Fair value through profit or loss when are related to sales that are subsequently adjusted to changes in LME prices, which is recorded on net revenues. These accounts receivable do not meet the solely payments of principal and interest ("SPPI") criteria because there is a component of commodity price risk that modifies the cash flows that otherwise would be required by the sales contract.

(ii) Amortized cost using the effective interest rate method, less impairment, when the receivables do not meet the aforementioned classifications.

Credit risk can arise from non-performance by counterparties of their contractual obligations to the Group. To ensure an effective credit risk evaluation, management applies procedures related to the application for credit granting and approvals, renewal of credit limits, continuous monitoring of credit exposure in relation to established limits and events that trigger requirements for secured payment terms. As part of the Group's process, the credit exposures with all counterparties are regularly monitored and assessed.

The Group applies the simplified approach of IFRS 9 Financial instruments to measure the impairment losses for on trade accounts receivables. This approach requires the use of the lifetime expected credit losses on its trade accounts receivables measured at amortized cost. To calculate the lifetime expected credit losses, the Group uses a provision matrix and forward-looking information. The additions to impairment of trade accounts receivables are included in selling expenses. Trade accounts receivables are generally written off when there is no expectation of recovering additional cash.

(a) Composition

	Note	2022	2021
Related parties	18	281,423	286,818
Third parties		64,864	54,450
Impairment of trade accounts receivables		(927)	(1,005)
		345,360	**340,263**

All amounts in thousands of US$ dollars, unless otherwise stated

(b) Changes in impairment of trade accounts receivables

	2022	2021
Balance at the beginning of the year	**(1,005)**	**(1,025)**
Additions	(927)	(1,005)
Reversals	1,005	1,025
Balance at the end of the year	**(927)**	**(1,005)**

(c) Aging of trade accounts receivables

	2022	2021
Current	344,874	341,238
Up to 3 months past due	1,409	22
From 3 to 6 months past due	4	8
	346,287	**341,268**
Impairment	(927)	(1,005)
	345,360	**340,263**

16 Inventory

Accounting policy

The costs related to the production process are accumulated in products in process and concentrate. Inventories are stated at the lower of cost or net realizable value. Cost includes the purchase price net of discounts, rebates and others. The cost of spare parts and supplies is determined by the weighted average method, except for in-transit inventory, which is recognized by the specific identification method.

(i) Concentrates (zinc, lead and copper)

The balance of ore concentrates (zinc, copper and lead) results from the production activities of the Group and its subsidiaries, they are valued at the average cost, which incorporates the costs incurred in the production process.

The cost of concentrates and products in process includes the cost of contractors' services, the consumption of spare parts and supplies, the cost of direct labor, other direct costs and the general manufacturing expenses that are assigned to the cost of the inventories based on the normal operating capacity of the plant.

The normal operating capacity of the plant is supported in the annual production budget. The cost of inventories excludes financing expenses and exchange differences.

The Management calculated its idle cost capacity considering the reduction in the level of production due to unusual events. The assumptions used involved judgments based on IAS 2 Inventories. The calculation of idleness was based on the comparison of the production carried out with the production projections of the Group's forecast.

The net realization value is the estimated sales price in the normal course of business, less the estimated costs to complete their production and the expenses to place the inventories in sale condition and to carry out their commercialization. For the reductions in the carrying amount of the inventories to their net realization value, a provision is established for impairment of inventory with a charge to the cost of sales in the period in which such reductions occur.

All amounts in thousands of US$ dollars, unless otherwise stated

(ii) Silver certificates

Silver certificates are recognized at the lower of cost or net realizable value. Cost is determined according to the average cost method.

Net realizable value is the estimated sales price of the product, that is, the average market Price for the previous month.

(iii) Spare parts and supplies

Other spare parts and supplies are stated at the lower of cost under the weighted average method. The cost of these items includes freight and applicable non-reimbursable taxes. In-transit Inventory is recorded at cost using the specific identification method. The provision for impairment of these items is estimated based on an annual review of spare parts and supplies with no movement for more than 2.5 years carried out by qualified technical staff of the Group. If the carrying amount of the inventories of spare parts and supplies exceed their replacement value, the difference is charged to profit or loss in the period in which this situation is determined. Management considers that at the date of the consolidated financial statements no provisions are required to be made additional to that recognized in the consolidated financial statements to cover losses due to obsolescence of inventories.

(a) Composition

	2022	2021
Spare parts and supplies	35,529	29,687
Concentrates	11,939	20,107
Semi-finished products	4,577	4,998
Silver certificates	5,428	2,758
In-transit goods	989	975
Inventory provisions (b)	(12,906)	(12,006)
	45,556	**46,519**

(b) Changes in the provisions of the year

	2022	2021
Balance at the beginning of the year	**(12,006)**	**(12,676)**
Reversals	3,995	4,555
Additions	(4,895)	(3,885)
Balance at the end of the year	**(12,906)**	**(12,006)**

All amounts in thousands of US$ dollars, unless otherwise stated

17 Other assets

Accounting policy

See note 12 (i).

(a) Composition

Comprising balances receivable from third parties for the sale of fixed assets, taxes receivable, spare parts and supplies, loans to personnel and others.

	Note	2022	2021
Related parties	18	4,250	6,299
Third parties			
Tax credit for general sales tax		4,473	6,643
Works-for-taxes program (i)		5,986	3,502
Receivables from mining contractors		8,481	3,438
Advances to suppliers		3,256	2,918
Insurance prepaid		2,707	2,312
Security deposit		1,227	1,227
Other recoverable taxes (ii)		32	2,015
Receivables from project sales		-	3,278
Other assets		2,036	2,363
		32,448	**33,995**
Current assets		22,729	21,183
Non-current assets		9,719	12,812
		32,448	**33,995**

(i) Comprising disbursements made by the Group within the Works-for-Taxes program according to Law No.29230.

(ii) Correponds to the Temporary tax on net assets (ITAN by its acronym in spanish) to recover.

All amounts in thousands of US$ dollars, unless otherwise stated

18 Related parties

(a) Balances

	Trade accounts receivables - note 15		Other assets - note 17		Other liabilities - note 27		Dividends payable - note 27 - (i)	
Assets and liabilities	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Controlling entity								
Nexa Resources Cajamarquilla S.A.	211,249	227,425	2,113	1,092	206	156	-	-
Parent Company								
Nexa Resources S.A.	70,174	59,393	2,137	698	-	-	1,005	-
Other related parties								
Votorantim Internacional CSC S.A.C.	-	-	-	-	322	306	-	-
Other	-	-	-	4,509	-	-	2,771	4,723
	281,423	**286,818**	**4,250**	**6,299**	**528**	**462**	**3,776**	**4,723**
Current	281,423	286,818	4,250	1,790	528	462	3,776	4,723
Non-current	-	-	-	4,509	-	-		-
	281,423	**286,818**	**4,250**	**6,299**	**528**	**462**	**3,776**	**4,723**

(i) Corresponds to dividends payable to minority shareholders and NEXA. This liability is presented in the consolidated balance sheet under the heading of liabilities with related parties.

(b) Transactions

	Net revenues		Financial income - note 9		Operating income (expenses)	
Profit and loss	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Controlling entity						
Nexa Resources Cajamarquilla S.A.	273,179	272,134	2,945	1,833	2,490	3,845
Parent Company						
Nexa Resources S.A.	90,267	61,646	8,967	8,710	-	-
Other related parties						
Votorantim Internacional CSC S.A.C.	-	-		-	(3,325)	(2,717)
	363,446	**333,780**	**11,912**	**10,543**	**(835)**	**1,128**

(c) Key Management compensation

Key management includes directors (executive and non-executive). Key management compensation, including all benefits, was a follows:

	2022	2021
Short-term benefits	20,878	15,473
Long-term benefits	72	43
	20,950	**15,516**

Short-term benefits include fixed compensation, payroll charges and short-term benefits under the Group's variable compensation program. Other long-term benefits relate to the variable compensation program.

19 Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at their historical cost of acquisition or construction less accumulated depreciation and any recognized impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition and construction of the assets.

Subsequent costs that are attributable to an item of fixed assets are capitalized only when it is probable that future economic benefits associated with the item will flow to the Group. All other repairs and maintenance are charged to production cost or expense, as appropriate, during the reporting period in which they are incurred.

Disbursements incurred to replace a component of an item of property, plant and equipment are separately capitalized, writing down the carrying amount of the item being replaced. If the replaced component is not considered a separate component from the asset, the replacement value of the new component is used to estimate the carrying amount of the replaced asset.

Assets under construction stage are capitalized as a separate item. Upon completion, the cost of these assets is transferred to its final category. Work in progress is not depreciated.

Property, plant and equipment are written-off when they are disposed of or when economic benefits are no longer expected from their use or subsequent sale. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within Other income and expenses, net in the income statement.

Land is not depreciated. Depreciation of mine closure assets is determined under the unit of production ("UoP") method and the depreciation of other assets is calculated using the straight-line method to reduce their costs to their residual values over their estimated useful lives.

The assets' residual values, useful lives and depreciation methods are reviewed annually and adjusted, if appropriate, at the date of the consolidated financial statements. Any change in these estimates is adjusted prospectively.

Asset retirement obligations

The Group entities recognize a provision for the restoration of the environment and for the closure of mining units, which corresponds to their legal obligation to restore the environment at the conclusion of their operations. In order to determine said provision, it is necessary to make significant estimates and assumptions, since there are various factors that will affect the amount of this obligation.

The capitalized cost recognized in Property, plant and equipment is depreciated based on the UoP method. Any reduction in the provision and, therefore, any reduction of the asset to which it is related that exceeds the carrying amount of the asset, is immediately recognized in the consolidated income statement as Other income and expenses, net.

Impairment of long-lived assets

Refer to note 30 for the Group's accounting policy related to impairment of Property, plant and equipment.

All amounts in thousands of US$ dollars, unless otherwise stated

(a) Changes in the year

						2022
	Land, buildings and other constructions	**Machinery and equipment**	**Assets and projects under construction**	**Asset retirement obligations**	**Other**	**Total**
Balance at the beginning of the year						
Cost	268,750	832,347	117,228	116,946	2,390	1,337,661
Accumulated depreciation and impairment	(213,184)	(742,994)	(6,876)	(86,294)	(2,055)	(1,051,403)
Net balance at the beginning of the year	**55,566**	**89,353**	**110,352**	**30,652**	**335**	**286,258**
Additions (i)	48	-	87,059	-	-	87,107
Disposals and write-offs	(543)	(19)	(81)	-	-	(643)
Depreciation	(29,231)	(43,086)	-	(2,418)	(172)	(74,907)
Transfers (ii) - note 20	50,309	40,350	(93,791)	-	502	(2,630)
Reamesurement of asset retirement obligations	-	-	-	(20,392)	-	(20,392)
Impairment reversal (loss) – note 30	18,130	7,514	(5,268)	-	-	20,376
Balance at the end of the year	**94,279**	**94,112**	**98,271**	**7,842**	**665**	**295,169**
Cost	319,952	874,307	106,375	96,554	2,638	1,399,826
Accumulated depreciation and impairment	(225,673)	(780,195)	(8,104)	(88,712)	(1,973)	(1,104,657)
Balance at the end of the year	**94,279**	**94,112**	**98,271**	**7,842**	**665**	**295,169**
Average annual depreciation rates %	10.68	13.99		UoP	18.53	

All amounts in thousands of US$ dollars, unless otherwise stated

	Land, buildings and other constructions	Machinery and equipment	Assets and projects under construction	Asset retirement obligations	Other	Total
						2021
Balance at the beginning of the year						
Cost	239,372	829,084	95,137	126,191	3,191	1,292,975
Accumulated depreciation and impairment	(185,683)	(701,218)	(30,330)	(82,189)	(2,150)	(1,001,570)
Net balance at the beginning of the year	**53,689**	**127,866**	**64,807**	**44,002**	**1,041**	**291,405**
Additions (i)	-	-	94,769	-	-	94,769
Disposals and write-offs	(153)	(3,471)	(429)	-	(681)	(4,734)
Depreciation	(26,199)	(43,884)	-	(4,105)	(160)	(74,348)
Transfers (ii) - note 20	28,229	8,842	(48,795)	-	135	(11,589)
Reamesurement of asset retirement obligations	-	-	-	(9,245)	-	(9,245)
Balance at the end of the year	**55,566**	**89,353**	**110,352**	**30,652**	**335**	**286,258**
Cost	268,750	832,347	117,228	116,946	2,390	1,337,661
Accumulated depreciation and impairment	(213,184)	(742,994)	(6,876)	(86,294)	(2,055)	(1,051,403)
Balance at the end of the year	**55,566**	**89,353**	**110,352**	**30,652**	**335**	**286,258**
Average annual depreciation rates %	6.95	12.23		UoP	17.55	

(i) Additions in Work in progress are primarily related with mine development projects.
(ii) This amount comprises the transfers related to the costs of open pit mine San Gerardo and mineral exploration costs for the Magistral project.

20 Intangible assets

Accounting policy

Rights to use natural resources

The significant costs incurred for the acquisition of legal rights to explore mining concessions and develop mineral properties are capitalized and are amortized as production costs when the associated projects start their commercial operation using the UoP method over their useful lives. Useful lives consider the period of extraction for both mineral reserves and mineral resources, which includes a portion of the Group's inferred resources in the Group's mining operations. The costs for the acquisition of legal rights attributed to mining projects are not depreciated until the project becomes operational and production activities start.

The costs incurred are impaired if the Group determines that the projects and their mineral rights associated have no future economic value. For purposes of impairment assessment, rights to use natural resources are allocated to Cash Generating Units ("CGUs"). Refer to note 30 for the Group's impairment accounting policy.

Mining projects

The Company starts to capitalize a project's mining exploration and evaluation costs at the beginning of its feasibility study phase, following completion of a pre-feasibility study in which probability of economic feasibility has been established and where there is sufficient geologic and economic certainty of converting mineral resources into proven and probable mineral reserves at a development stage (construction or execution phase) or production stage based on various factors including the known geology, metallurgy and life of mine ("LOM") plans.

Capitalized costs incurred during a project's exploration and evaluation stages are classified within Mining projects, under Intangible Assets until the project starts its development stage, and are only depreciated by the UoP method once the development stage finishes and the project's operation starts.

Costs incurred during a project's development stage are also capitalized under Property, plant, and equipment but within Assets and projects under construction. In this way, the capitalized mining exploration and evaluation costs will remain within Mining projects and will only be depreciated once the development stage finishes and the project´s operation starts.

Once the development stage is finished and the project's operation starts, the capitalized development costs are reclassified to the appropriate group of assets considering their nature and are depreciated on a linear calculation based on the assets' useful life.

Based on the above, once a project begins operation, there will be depreciation coming from the project's capitalized mineral exploration and evaluation costs within the Mining projects account and based on the UoP method and from the project's capitalized development costs within the corresponding group of assets based on their useful life.

The carrying value of the capitalized mining exploration and evaluation costs, which remain within Mining projects, and the capitalized development costs, which are within Assets and projects under construction, of the projects are assessed for impairment at least annually or whenever evidence indicates that the assets may be impaired in accordance with IFRS 6 Exploration for and evaluation of mineral resources and IAS 36 Impairment of assets. If the Company decides at any moment to discontinue the project, this could be an impairment indicator that will be assessed under the impairment test. For purposes of this impairment assessment, the projects are allocated to CGUs when applicable. The annual impairment test is disclosed in note 30.

Refer to note 7 for the Company's accounting policy related to expensed mineral exploration and projects evaluation costs for mining projects.

Costs to acquire exploration legal mining rights are included within Rights to use natural resources.

Critical accounting estimates, assumptions and judgments - Quantification of mineral reserves and resources for useful life calculation

The Group classifies proven and probable reserves, and measured, indicated and inferred resources based on the definitions of the United States Securities and Exchange Commission's (SEC) Modernized Property Disclosure Requirements for Mining Registrants as described in Subpart 229.1300 of Regulation S-K, Disclosure by Registrants Engaged in Mining Operations (S-K 1300) and Item 601 (b)(96) Technical Report Summary.

The useful life determination applied to the concessions and mining rights reflect the pattern in which the benefits are expected to be derived by the Group and is based on the estimated LOM. Any changes to the LOM, based on new information regarding estimates of mineral reserves and mineral resources and mining plan, may affect prospectively the LOM and amortization rates.

The estimation process of mineral reserves and mineral resources is based on a technical evaluation, which includes geological, geophysics, engineering, environmental, legal and economic estimates and may have relevant impact on the economic viability of the mineral reserves and mineral resources. These estimates are reviewed periodically, and any changes are reflected in the expected LOM. Management is confident based on testing, continuity of the ore bodies and conversion experience that a part of the inferred resources will be converted into measured and indicated resources, and if they are economically recoverable, and such inferred resources may also be classified as proven and probable mineral reserves. Where the Group can demonstrate the expected economic recovery with a high level of confidence, inferred resources are included in the amortization calculation.

However, the future conversion of inferred resources is inherently uncertain and involves judgment and estimates that could have a material impact on the Group's results of operations.

Impairment of long-lived assets

See note 30.

All amounts in thousands of US$ dollars, unless otherwise stated

(a) Changes in the year

	Note	Rights to use natural resources	Mining projects (i)	Computer programs	Total
					2022
Balance at the beginning of the year					
Cost		127,408	226,537	4,657	358,602
Accumulated amortization and impairment		(96,523)	(14,628)	(3,821)	(114,972)
Net balance at the beginning of the year		**30,885**	**211,909**	**836**	**243,630**
Amortization		(979)	(1,941)	(524)	(3,444)
Transfers from property, plant and equipment	19	-	2,363	267	2,630
Impairment reversal (loss)	30	2,663	(74,910)	-	(72,247)
Balance at the end of the year		**32,569**	**137,421**	**579**	**170,569**
Cost		127,470	228,839	3,114	359,423
Accumulated amortization and impairment		(94,901)	(91,418)	(2,535)	(188,854)
Net balance at the end of the year		**32,569**	**137,421**	**579**	**170,569**
Average annual amortization rates %		UoP	UoP	16.51	

	Note	Rights to use natural resources	Mining projects (i)	Computer programs	Total
					2021
Balance at the beginning of the year					
Cost		127,775	233,874	4,014	365,663
Accumulated amortization and impairment		(104,216)	(23,387)	(3,025)	(130,628)
Net balance at the beginning of the year		**23,559**	**210,487**	**989**	**235,035**
Reclasification		8,293	(8,293)	-	-
Net balance at the beginning of the year – adjusted		**31,852**	**202,194**	**989**	**235,035**
Amortization		(967)	(1,456)	(571)	(2,994)
Transfers from property, plant and equipment	19	-	11,171	418	11,589
Balance at the end of the year		**30,885**	**211,909**	**836**	**243,630**
Cost		127,408	226,537	4,657	358,602
Accumulated amortization and impairment		(96,523)	(14,628)	(3,821)	(114,972)
Net balance at the end of the year		**30,885**	**211,909**	**836**	**243,630**
Average annual amortization rates %		UoP	UoP	24.96	

(i) Only the amount related to the operating unit Atacocha is being amortized under the UoP method. The other balances of mining projects will be amortized once their development stage finishes, and the projects' operation starts.

21 Loans and financings

Accounting policy

Loans and financings are initially recognized at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost, unless they are designated as fair value option, if necessary to eliminate the accounting mismatch that would arise if amortized cost were used. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the income statement as interest expense over the period of the loans using the effective interest rate method.

All amounts in thousands of US$ dollars, unless otherwise stated

Loans and financings are classified as current liabilities unless the Group has the unconditional right to defer repayment of the liability for at least 12 months after the reporting period.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(a) Composition

				Total		Fair value
			2022	2021	2022	2021
Type	Average interest rate	Corriente	Total	Total	Total	Total
Bank loan Reactiva Perú (i)	0.980%	443	443	1,783	443	1,783
Corporate bonds	4.625%	-	-	129,862	-	131,211
		443	**443**	**131,645**	**443**	**132,994**

(i) On May 8, 2020, in the framework of the Reactiva Perú Program, a government assitance program approved by the Peruvian Government, Nexa Atacocha signed a long-term borrowing agreement with a local financial institution with the aim of improving your working capital, for a total principal of S/10,000 (equivalent to US$ 2,910) at an annual interest rate of 0.98% in soles with a maturity of 3 years, including one-year grace period. As part of the terms of this loan, the funds cannot be used: (i) to pay and/or pay in advance any past due or current financing before paying the loan; (ii) buy fixed assets, bonds, shares or make capital contributions; or (iii) distribute dividends or earnings during its term, except for workers' profit sharing. The Group complied these conditions in the periods ended.

The difference between the opening carrying amount of the loan measured at fair value in accordance with IFRS 9, Financial Instruments, and the received income, has been treated as a government grant in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Aid, so it was recognized as deferred income considering the reasonable certainty that Nexa Atacocha will comply the conditions related to the grant mentioned above. This grant will be systematically recognized in profit or loss over the periods, deducting the financial expense generated from the loan that is expected to be offset by the grant benefit.

All amounts in thousands of US$ dollars, unless otherwise stated

(b) Changes in the year

The movement of borrowings is as follows:

	Note	2022	2021
Balance at the beginning of the year		**131,645**	**246,117**
Interest accrual		1,448	9,960
Amortization of transaction cost		144	114
Foreign exchange effects		73	(2,096)
Bonds repurchase (i)		(128,470)	-
Interest payment (ii)		(2,984)	(15,604)
Payments of loans and financings		(1,413)	(700)
Prepayment of fair value debt (ii)		-	(90,512)
Changes in fair value of the financial liability related to changes in the Company´s own credit risk (iii)		-	5,189
Fair value of loans and financings (iv)	9	-	(12,227)
Write-off of fair value of loans and financings (v)	9	-	(8,596)
Balance at the end of the year		**443**	**131,645**

(i) On March 28, 2022, the Company completed the early redemption and cancellation of all the outstanding 4.625% Senior Notes due 2023 in the principal amount of US$ 128,470.

(ii) The principal amount of BRL 477,000 thousand (approximately US$ 90,512), with accrued interest of BRL 12,592 thousand (approximately US$ 2,389) was prepaid on July 9, 2021.

(iii) On June 30, 2022, the Company had one debt contract measured at fair value through profit or loss, which was prepaid in July 2021. In 2021, the Company's credit risk decreased due to the normalization of its operations, with a consequent increase in the fair value of this debt in US$ 5,189.

(iv) During the year 2021, the Company recognized a gain in the income statement of US$ 12,227 related to the fair value adjustment of this debt.

(v) On July 9, 2021, the Company prepaid its term loan debt, together with the respective SWAP contract. The carrying amount of the debt at the date of prepayment was US$ 102,042 and the amount paid was US$ 92,902 resulting in a gain of US$ 9,140, of which US$ 8,596 was included in other financial items, net - fair value of loans and financings and US$ 544 was included in other financial items, net – foreign exchange effects, net.

(c) Analysis by currency

		2022	2021
	Current	**Total**	**Total**
United States dollar	-	-	129,861
Soles	443	443	1,784
	443	**443**	**131,645**

(d) Guarantees

As of December 31, 2022, the Group does not maintain guarantees for the fulfillment of loans and financings.

All amounts in thousands of US$ dollars, unless otherwise stated

22 Trade payables

Accounting policy

These amounts represent liabilities for goods and services that were provided to the Group before the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. These amounts are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(a) Composition

This item comprises:

	2022	2021
Current		
Trade payables	110,564	100,839
Services received remaining to be billed	44,601	45,669
	155,165	**146,508**
Non-current		
Trade payables	1,266	-
	1,266	**-**
	156,431	**146,508**

Trade payables correspond to balances with suppliers for the purchase of goods and services and are within their term of maturity. These accounts and do not bear interest.

Services received pending billing correspond to the accrual of works in the process of construction and exploration services that, at the reporting date of the consolidated financial statements were pending billing by suppliers.

23 Confirming payables

Accounting policy

The Group has contracts with some suppliers in which the commercial payment term is 120 days. In these contracts, the suppliers have the option to request the bank to advance the payment of their commercial invoice within 120 days, before the invoice matures. As a result of those contracts between the suppliers and the bank, the commercial terms agreed with the Group do not change. In accordance with the commercial agreement, the supplier communicates the Group its interest in selling the invoice to the bank, and it is only the supplier who can decide to sell its invoice at any time during the commercial period. With this option, suppliers could improve their working capital position, the bank pays the supplier with an interest discount for advance of payment.

Applying the concepts of IFRS 9, this transaction maintains its essence as a commercial account since the Group has not derecognize the original liabilities to which the agreement applies because neither a legal release was obtained, nor the original liability was substantially modified in the execution of the agreement. The Group understands that the 120-day period can be considered natural for the industry. The Group therefore understands that the separate presentation is relevant to an understanding of the entity's financial position.

All amounts in thousands of US$ dollars, unless otherwise stated

As of December 31, 2022, accounts payable of US$ 3,368 were included in these contracts (December 31, 2021: US$ 5,942).

24 Salaries and payroll charges

Accounting policy

(i) Worker's profit sharing

The Group recognizes a liability and an expense for each Group entity's obligation for statutory workers' profit sharing, where applicable. Workers' profit sharing is calculated by applying a rate of 8% to each entity's taxable income, determined under Peruvian income tax laws currently in force.

(ii) Statutory bonuses

The Group recognizes an expense for statutory bonuses for its personnel and the corresponding liability based on the current labor legislation in the country.

(iii) Employees' severance indemnities

Employees' severance indemnities for time of service of the Group's staff hired in Peru comprise their indemnification rights, calculated in accordance with current legislation, which have to be credited to the bank accounts designated by the workers in May and November of each year. The compensation for time of service is equivalent to one monthly salary effective at the date of the bank deposit. The Group has no obligations to make any additional payments once the anual deposits to which workers are entitled have been made.

(iv) Vacation leave

The annual vacations of personnel are recognized on the accrual basis. The provision for the estimated liability for the annual vacations of personnel resulting from the services rendered by the employees is recognized on the date of the consolidated statement of financial position.

(a) Composition

	2022	**2021**
Worker's profit sharing	16,879	20,631
Vacation leave	4,567	4,323
Termination of employment provision	2,115	1,733
Employees' severance indemnities	628	610
Other remunerations	6,795	7,382
	30,984	**34,679**

All amounts in thousands of US$ dollars, unless otherwise stated

25 Asset retirement and environmental obligations

Accounting policy

Provision for asset retirement obligations include costs to restoration and closure of the mining assets and is recognized due to the development or mineral production, based on the net present value of estimated closure costs. Management uses its judgment and previous experience to determine the potential scope of rehabilitation work required and the related costs associated with that work, which are recognized as a Property, plant and equipment for asset retirement obligations relating to operating mining assets or as Other income and expenses, net for non-operating structures.

The cash flows are discounted to present value using a credit risk-adjusted rate that reflects current market assessments of the time value of the money and the specifics risks for the asset to be restored. The interest rate charges relating to the liability are recognized as an accretion expense in the Net financial results. Difference in the settlement amount of the liability are recognized in the income statement.

Critical accounting estimates, assumptions and judgments

The initial recognition and the subsequent revisions of the asset retirement obligations consider critical future closure costs estimates and several assumptions such as interest rates, inflation and useful lives of the assets. These estimates are reviewed quarterly by the Group.

Cost estimates can vary in response to many factors of each site that include timing, expected LOM, changes to the relevant legal or government requirements and commitments with stakeholders, review of remediation and relinquishment options, emergence of new restoration techniques, among others.

External experts support the cost estimation process where appropriate. These factors either isolated or consolidated could significantly affect the future financial results and balance sheet position.

(a) Changes in the year

	Note	Asset retirement obligations (i)	Environmental obligations	2022 Total	2021 Total
Balance at the beginning of the year		**127,513**	**1,490**	**129,003**	**136,282**
Payments		(5,843)	(1,900)	(7,743)	(7,750)
Interest accrual	9	11,809	-	11,809	2,656
Remeasurement discount rate (i)/(ii)		(27,618)	-	(27,618)	(3,675)
Additions (ii)		3,865	442	4,307	1,490
Balance at the end of the year		**109,726**	**32**	**109,758**	**129,003**
Current liabilities		13,135	32	13,167	9,911
Non-current liabilities		96,591	-	96,591	119,092
Balance at the end of the year		**109,726**	**32**	**109,758**	**129,003**

(i) As of December 31, 2022, the credit risk-adjusted rate used was between 10.9% to 11.7% (December 31, 2021: 3.5% to 6.5%).

(ii) The change in the period ended on December 31, 2022, was mainly due to the time change in the expected disbursements on decommissioning obligations in certain operations, in accordance with updates in their asset retirement and environmental obligations studies, and by the increase in the discount rates, as described above. In this way, asset retirement obligations for operational assets, decreased in an amount of US$ 20,392 (December 31, 2021: increase of US$ 9,245) as shown in note 19; and asset retirement and environmental obligations for non-operational assets expense in US$ 2,919 (December 31, 2021: expense of US$ 7,060) as shown in note 8.

26 Contractual obligations

Accounting policy

Contractual obligations consist of advance payments received by the Group under a silver streaming agreement, signed with a counterparty (the "Streamer") and by which referential silver contents found in the ore concentrates produced by the Group's Cerro Lindo mining unit are sold to the Streamer.

Determining the accounting treatment of silver streaming transactions requires the exercise of high degree of judgment.

Group assesses whether those advances obtained under this agreement should be recognized as contractual obligations (a sale of a non-financial item) or as a financial liability. For that purpose, the Group takes into consideration factors such as which party is exposed to the operational risk, the risk of access to the resources, the price risk, and assesses whether the transaction involves a sale of an own use asset for the counterparty. In those cases, in which the Group concludes that, in essence, the Streamer shares substantially the operational risks, the resource access and price risks, it delivers a non-financial item that qualifies as an "own use" item; any advance payment obtained is recognized as deferred income in the framework of IFRS 15: Revenue from Contracts with Customers. Otherwise, the Group would recognize a financial liability in the framework of the provisions of IFRS 9: Financial instruments.

When a contractual obligation is recognized, the balance is initially recognized at the amount received, and it is subsequently, reclassified to results as the risk and rewards inherent to the ownership of the respective asset are transferred, that is, upon the physical delivery of the nonfinancial item (ore certificate). Contractual obligations are recognized within non-current liabilities, except for the portion of silver certificates that are estimated to be delivered over the 12 months following the balance sheet date.

The advance payments obtained under silver streaming transaction entered into by the Group in 2016 are recognized as deferred income to the extent that the risk assessment conducted by management indicates the relevant risks are substantially shared with the Streamer and the qualifying conditions of a sale of an "own use" item are met.

Determination of the transaction Price

The transaction price is the amount of consideration to which the Group expects to be entitled in return for transferring the promised goods to its counterparty. The transaction price is allocated to each performance obligation based on the relative standalone selling prices. In the silver streaming transaction, the Group has variable considerations related to the production capacity of the mine linked to its LOM and to the LME. IFRS 15 requires that for contracts containing variable considerations, the transaction price be continually updated and re-allocated to the transferred goods. For this purpose, the contractual liabilities require an adjustment to the transaction price per unit each time there is a change in the underlying production profile of a mine or the expected metal prices. The change in the transaction price per unit results in a retroactive adjustment to revenues in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming agreement or the expected metal prices. A corresponding retroactive adjustment is made to accretion expenses, reflecting the impact of the change in the contractual obligation balance.

All amounts in thousands of US$ dollars, unless otherwise stated

Critical accounting estimates, assumptions and judgments

The recognition of revenues and of the contractual obligation related to the silver transaction require the use of critical accounting estimates and assumptions including, but not limited to: (i) allocation of revenues on relative prices; (ii) estimate prices for determining the upfront payment; (iii) discount rates used to measure the present value of future inflows and outflows; and (iv) estimate of LOM, reserves and mineral production.

(a) Background

In 2016, Nexa Resources UK Limited (Nexa Resources UK), a 100% subsidiary of the Company, entered into a silver streaming arrangement, which consisted of an upfront payment of US$ 250,000, for the anticipated sale of a portion of silver contained in the ore concentrates produced by Cerro Lindo mining unit.

The prepaid amount was recognized as a contractual liability and the corresponding revenue is recognized as the silver is delivered, which is the time when the contractual performance obligations are satisfied. The Group delivers the certificates as the silver contents of its concentrate sales are collected from its customers that buy ore concentrates.

(b) Composition

	Note	2022	2021
Balance at the beginning of the year		**147,232**	**166,025**
Revenues recognition upon ore delivery		(31,438)	(45,309)
Remeasurement adjustement (i)		10,565	19,580
Accretion for the year	9	5,801	6,936
Balance at the end of the year		**132,160**	**147,232**
Current liabilities		26,188	33,156
Non-current liabilities		105,972	114,076
		132,160	**147,232**

(i) In September 2022, the Group recognized a remeasurement adjustment in its contractual obligations of silver streaming with a corresponding reduction in revenues for an amount of US$ 10,565 and an increase in accretion for an amount of US$ 1,041 (September 30, 2021: US$ 19,312 and US$ 1,658, respectively), given the higher long-term prices and the updated mine plan for its Cerro Lindo Mining Unit. According to the Company's silver streaming accounting policy, prices and changes in the LOM given an update in mine plans are variable considerations and then, the recognized income under the streaming agreement should be adjusted to reflect the updated variables.

All amounts in thousands of US$ dollars, unless otherwise stated

27 Other liabilities

Accounting policy

See note 12 (i).

(a) Composition

	Note	2022	2021
Related parties	18	4,304	5,185
Third-parties			
Value added tax		2,909	2,585
Mining royalties		2,038	827
Withholding tax		1,132	1,485
Special Mining Levy and Special Mining Tax		993	4,139
Other taxes		601	890
Other		14,246	12,741
		26,223	**27,852**
Current		26,151	27,809
Non-current		72	43
		26,223	**27,852**

28 Provisions

Accounting policy

Provisions for legal claims are recognized when the Group has a present obligation, legal or assumed, as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. If the time value of money is significant, provisions are discounted using a pre-tax rate that reflects, when applicable, the specific risks related to the liability. Reversal of the discount due to the passage of time results in the increase of the obligation recognized in the consolidated income statement as financial expense.

Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements and are only disclosed, unless the likelihood of the use of resources is probable. Contingent assets are not recognized in the consolidated financial statements and are only disclosed when it is probable that an inflow of resources will flow.

Critical accounting estimates and assumptions - Provision for legal claims

The Group is subject to a number of laws and regulations as well as business practices effective in Peru and United Kingdom.

In this sense, Management makes judgement and estimates in recording provisions for tax environmental, labor, civil and environmental matters and seeking to comply with the technical standards issued by the local regulatory authorities.

Actual costs may differ from estimates for a number of reasons, such as changes in the cost estimations and different interpretations of laws, opinions and assessments in determining the quantity of losses. Furthermore, in the ordinary course of business, the Group is exposed to certain contingent liabilities related to existing or potential claims, litigation and other actions brought against it involving tax issues.

All amounts in thousands of US$ dollars, unless otherwise stated

A provision is recorded for contingencies when it is probable that a liability has been incurred and the amount of the loss can be estimated reliably. The Group's accruals are based on projections that are updated considering the results of the above-mentioned litigation or other actions and the experience of its technical staff and legal counsel both internal and external in addressing and resolving tax, labor, civil and environmental issues, other than income tax. As the scope of the obligations becomes more clearly defined or further information become available, the Group may be required to change its future cost estimates, which could have a significant effect on the results of its operations and its financial position or liquidity.

(a) Changes in the year

	Note	Tax	Civil	Environmental	2022	2021
Balance at the beginning of the year		**7**	**4,545**	**9,401**	**13,953**	**8,127**
Additions	8	-	682	1,899	2,581	11,006
Reversals	8	(7)	(272)	(264)	(543)	(1,545)
Foreign exchange effects		(1)	177	425	601	(845)
Interest		1	113	-	114	(79)
Payments		-	(658)	(749)	(1,407)	(2,711)
Balance at the end of the year		**-**	**4,587**	**10,712**	**15,299**	**13,953**

(b) Contingent liabilities

Legal claims that have a possible likelihood that an obligation will arise are disclosed in the Group's financial statements. The Group does not recognize a liability because it is not probable that an outflow of resources will be required or because the amount of the liability cannot be reliably calculated. These legal claims are summarized below:

	2022	2021
Civil (i)	27,216	24,446
Environmental	3,634	1,260
	30,850	**25,706**

(i) The main contingents civil liabilities against the Group is related to indemnity lawsuits and social benefits.

29 Shareholders´ equity

Accounting policy

Common and investment shares are classified in equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

The payment made by the Company to purchase its own equity share capital (treasury shares), including any cost directly attributable to the transaction (net of taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or sold. The price paid over the nominal value of shares is shown within "Other capital reserves". When such treasury shares are subsequently reissued or sold, any consideration received in the reissue of treasury shares, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the owners of the Company.

All amounts in thousands of US$ dollars, unless otherwise stated

The distribution of dividends to the shareholders is recognized as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

(a) Capital

At December 31, 2022 the Company's capital is comprised of 1,257,754,353 common shares fully subscribed and paid-in (at December 31, 2021 it comprises 1,257,754,353), at S/ 1.04 per share (at December 31, 2021 at S/ 1.04).

Outstanding shares are listed and traded daily on the Lima Stock Exchange ("*Bolsa de Valores de Lima*").

At December 31, 2022 the Company's shareholding structure registered with the Public Registry Office is as follows:

Percentage of individual interest in capital	Number of holders	Total percentage
Less than 1%	1,284	5.53
Between 1% and 5%	2	3.77
Between 5% and 10%	1	7.33
More than 10%	1	83.37
	1,288	**100.00**

The stock exchange quotation of the common shares at December 31, 2022 and 2021 was S/ 2.00 and S/ 3.56 per share, respectively (equivalent to US$ 0.52 and US$ 0.89, respectively).

(b) Investment shares

Investment shares do not entitle the holder to cast a vote at the General Shareholders' Meeting. However, they entitle holders to take part in dividend distributions based on their par value, to same as with common shares.

At December 31, 2022 and 2021 investment shares comprise 21,415,462 common shares, respectively, at S/1 per value each, of which 14,353,549 are outstanding.

At December 31, 2022 the stock exchange quotation of investment shares was S/ 1.80 per share (equivalent to US$ 0.47), while at December 31, 2021 it was S/ 1.64 per share (equivalent to US$ 0.41). In 2022; the trading frequency of its investment shares were 10.76%.

(c) Legal reserve

In accordance with the General Law of Companies, the legal reserve is constituted by the transfer of 10% of the annual net profit until an amount equivalent to 20% of paid-in capital is reached. In the absence of profits or freely available reserves, the legal reserve must be applied to offsetting losses and must be replenished with the profits from subsequent periods. This reserve may be capitalized, subject to the same obligation to replenish it. As of December 31, 2022; the Company has reached the established limit according to the General Law of Companies.

All amounts in thousands of US$ dollars, unless otherwise stated

(d) Accumulated other comprehensive (loss) income

The change in other comprehensive (loss) income is as follows:

	Credit risk on fair value	Deferred income tax	Total
At January 01, 2021	**(7,908)**	**2,333**	**(5,575)**
Credit risk on loans at fair value	(5,189)	(2,333)	(7,522)
At December 31, 2021	**(13,097)**	**-**	**(13,097)**
At December 31, 2022	**(13,097)**	**-**	**(13,097)**

(e) Earnings per share

Basic earnings per share are computed by dividing the net income attributable to the shareholders of the Group by the average number of outstanding shares for the year. Diluted earnings per share is computed in a similar way, but with the adjustment in the denominator when assuming the conversion of all shares that may be dilutive. The Group does not have any potentially dilutive shares and consequently the basic and diluted earnings per share are the same.

	2022	2021
Income for the year attributable to owners of the Controlling entity	**94,845**	**136,714**
Common shares	1,257,754,353	1,257,754,353
Investment shares	14,353,549	14,353,549
	1,272,107,902	**1,272,107,902**
Weighted average of outstanding shares	**1,272,107,902**	**1,272,107,902**
Basic and diluted earnings per share -US$		
Common shares	0.07	0.11
Investment shares	0.07	0.11

(f) Non-controlling interests

	Nexa Resources Atacocha S.A.A.	
Summarized balance sheet	**2022**	**2021**
Current assets	50,655	37,570
Current liabilities	44,366	27,902
Current net assets	**6,289**	**9,668**
Non-current assets	23,915	41,644
Non-current liabilities	57,879	80,814
Non-current net assets	**(33,964)**	**(39,170)**
Net assets	**(27,675)**	**(29,502)**
Accumulated non-controlling interests	**(8,900)**	**(9,849)**

All amounts in thousands of US$ dollars, unless otherwise stated

	Nexa Resources Atacocha S.A.A.	
Summarized income statement	**2022**	**2021**
Net revenues	95,195	66,933
Net income (loss) for the year	1,320	(1,034)
Total comprehensive income (loss) for the year	**1,320**	**(1,034)**
Comprehensive loss attributable to non-controlling interests	441	(345)

	Nexa Resources Atacocha S.A.A.	
Summarized statement of cash flows	**2022**	**2021**
Net cash provided by operating activities	18,357	2,919
Net cash used in investing activities	(4,594)	(11,344)
Net cash (used in) provided by financing activities	(1,698)	9,125
Increase in cash and cash equivalents	**12,065**	**700**

30 Impairment of long-lived assets

Accounting policy

Impairment of long-lived assets

The Group assesses at each reporting date, whether there are indicators that the carrying amount of an asset or CGU, may not be recovered. If any indicator exists, such as a change in forecasted commodity prices, a significant increase in operational costs, a significant decrease in production volumes, a reduction in LOM, the cancelation or significant reduction in the scope of a project, market conditions or unusual events that can affect the business, the Group estimates the recoverable amount of the assets or CGUs.

The recoverable amount is estimated by reference to the higher of an asset's or CGU's fair value less cost of disposal ("FVLCD") and its value in use ("VIU"). The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is reduced to its recoverable amount. Non-financial assets that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at each reporting date. Generally, the opposite of indicators that gave rise to an impairment loss would be considered indicators that impairment losses might have to be reversed. If the underlying reasons for the original impairment have been removed or the potential service of the asset or CGU has increased, an assessment of impairment reversals is performed by the Group. Reversals of impairment losses that arise simply from the passage of time are not recognized.

For individual assets, if there is any indicator that an asset become unusable by damage or a decision that would lead the asset to not contribute economically to the Group, it is impaired. In addition, greenfields, projects for which the Group to quit exploration and there is no expectation that in the future will bring cash inflows are also impaired.

Impairment of mineral exploration and evaluation costs and development projects costs

Exploration assets representing mineral rights and other capitalized mineral exploration and evaluation costs, as well as development projects costs capitalized included in Property, plant and equipment are tested for impairment in aggregation with CGU or groups of CGUs that include producing assets or tested individually through FVLCD when there are indicators that capitalized costs might not be recoverable.

The allocation of mineral exploration and evaluation costs, and development project costs to CGUs or group of CGUs is based on 1) expected synergies or share of producing assets infrastructure, 2) legal entity level, and 3) country level. When testing a CGU or a group of CGUs that include mineral exploration and evaluation costs and project development costs, the Group performs the impairment test in two steps. In the first step, producing assets or group of producing assets are tested for impairment on an individual basis. In the second step, mineral exploration and evaluation costs and development project costs are allocated to a CGU or a group of CGUs and tested for impairment on a combined basis.

Valuation methods and assumptions for recoverable amount based on FVLCD

FVLCD

FVLCD is an estimate of the price that the Group would receive to sell an asset, CGU or group of CGUs in an orderly transaction between market participants at the measurement date, less the cost of disposal. FVLCD is not an entity-specific measurement but is focused on market participants' assumptions for a particular asset when pricing the asset. FVLCD is estimated by the Group using discounted cash flows techniques (using a post-tax discount rate) and market past transaction multiples (amount paid per ton of minerals for projects in similar stages) for greenfield projects for which resources allocation is under review, although the Group considers observable inputs, a substantial portion of the assumptions used in the calculations are unobservable. These cash flows are classified as level 3 in the fair value hierarchy. No CGUs are currently assessed for impairment by reference to a recoverable amount based on FVLCD classified as level 1 or level 2.

VIU

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its current condition and its residual value. VIU is determined by applying assumptions specific to the Group's continued use and does not consider enhancements or future developments. These assumptions are different from those used in calculating FVLCD and consequently the VIU calculation is likely to give a different result (usually lower) than a FVLCD calculation. Additionally it is applied to the estimated future cash flows a pre-tax discount rate.

Forecast assumptions

The cash flow forecasts are based on management's best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, and closure, restoration, and environmental costs. The resulting estimates are based on detailed LOM and long-term production plans. When calculating FVLCD, these forecasts include capital and operating expenditures related to expansions and restructurings of both brownfield and greenfield projects that a market participant would consider in seeking to obtain the highest and best use of the asset, considering their evaluation, eventual changes in their scope or feasibility, and their development stage.

The cash flow forecasts may include net cash flows expected to be realized from the extraction, processing and sale of material that does not currently qualify for inclusion in ore reserves. Such non-reserve material is only included when the Group has confidence it will be converted to reserves. This expectation is usually based on preliminary drilling and sampling of areas of mineralization that are contiguous with existing ore reserves, as well as on the historical internal conversion ratio. Typically, the additional evaluation required for conversion to reserves of such material has not yet been done because this would involve incurring evaluation costs earlier than is required for the efficient planning and operation of the producing mine.

For purposes of determining FVLCD from a market participant's perspective, the cash flows incorporate management's internal price forecasts that also reflects the view of market participants. The internal price forecasts are developed using a robust model that incorporates market-based supply, demand and cost data. The internal price forecasts used for ore reserve estimation testing and the Group's strategic planning are generally consistent with those used for the impairment testing.

Cost levels incorporated in the cash flow forecasts are based on the current LOM plan and long-term production plan for the CGU, which are based on detailed research, analysis and iterative modeling to optimize the level of return from investment, output and sequence of extraction. The mine plan considers all relevant characteristics of the orebody, including waste-to-ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore, process recoveries and capacities of processing equipment that can be used. The LOM plan and long-term production plans are, therefore, the basis for forecasting production output and production costs in each future year.

The discount rates applied to the future cash flow forecasts represent the Group's estimate of the rate that a market participant would apply to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The Group's weighted average cost of capital is generally used for determining the discount rates, with appropriate adjustments for the risk profile of the countries in which the individual CGUs operate.

With respect to the estimated future cash flows of capitalized mineral exploration assets and development projects, for some assets the Group applies a price to net assets value ratio discount in order to reflect the inherent risk of such projects and that are neither adjusted in the discount rate nor in the future cash flows.

The discount is based on the stage of the project and the type of metal.

Critical accounting estimates, assumptions and judgments - Impairment of long-lived assets

Impairment is assessed at the CGU level. A CGU is the smallest identifiable asset or group of assets that generates independent cash inflows. Judgment is applied to identify the Group's CGUs, particularly when assets belong to integrated operations, and changes in CGUs could impact impairment charges and reversals.

External and internal factors are quarterly monitored for impairment indicators. Judgment is required to determine, for example, whether the impact of adverse spot commodity price movements is significant and structural in nature. Also, the Group's assessment of whether internal factors such as an increase in production costs and delays in projects result in impairment indicators require significant judgment. Among others, the long-term zinc price and the discount rate may have a significant impact in the Group's impairment estimations.

The process of estimating the recoverable amount involves the use of estimates and assumptions, judgment and projections for future cash flows. These calculations use cash flow projections, based on financial and operational budgets for a five-year period. After the five-year period, the cash flows are extended until the end of the useful LOM. Management's estimates and assumptions of future cash flow used for the Group's impairment testing of long-lived assets are subject to risk and uncertainties, including metal prices and macroeconomic conditions, which are particularly volatile and partially or totally outside the Group's control. Future changes in these variables may differ from management's expectations and may materially change the recoverable amounts of the CGUs.

All amounts in thousands of US$ dollars, unless otherwise stated

Impairment test analysis

During September 2022, the Group performed its annual impairment test for each of its CGU's, considering available key assumptions included in the strategic planning process which is performed during the third quarter of every year, as well as other variables discussed in such process.

As of December 31, 2022, the Group identified impairment indicators mainly related to: (i) a CAPEX and costs increase in the Cerro Pasco CGU given the review process started by management in October; and (ii) the Company's decision not to maintain in its portfolio two of its greenfields projects (Shalipayco and Pukaqaqa) which are included in the Cerro Lindo CGU which is also part of the Mining Peru group of CGUs. The Group also identified impairment reversal indicators related to the performance of metal prices during the fourth quarter of 2022 which led the Group' sensitivities over the estimated metal price to increase.

The impairment assessment as of December 31, 2022, resulted in the recognition of an impairment reversal of US$ 32,414 in its Cerro Pasco CGU identified for year 2022. In addition to that economic impairment, the Group recognized individual assets impairment losses in the amount of US$ 9,375 mainly within Assets and projects under construction, and in the amount of US$ 74,910, within Mining projects and in relation to the greenfields (Shalipayco and Pukaqaqa) mentioned above. As a result, a net impairment loss of US$ 51,871 (after-tax US$ 40,335) was registered for the year.

For the year ended on December 31, 2021, the Group performed its annual impairment test, and did not identify impairment provisions or reversals for the period.

(a) Key assumptions used in impairment test

The recoverable amounts for each CGU were determined based on the FVLCD method, which were higher than those determined based on the VIU method.

The Group identified long term metal prices, discount rate and LOM as key assumptions for the recoverable amounts determination, due to the material impact of such assumptions may cause on the recoverable value. Part of these assumptions are summarized below:

	2022	**2021**
Long-term zinc price (US$/t)	2,787	2,724
Discount rate (Peru)	6.93%	6.22%
Brownfield projects - LOM (years) (i)	From 5 to 14	From 2 to 11

(i) As part of the Cerro Lindo CGU recoverable amount, the Company has included the value of its greenfield projects based on market multiples as disclosed above in the FVLCD section. No impairment indicator was identified for these greenfield projects, other than for Shalipayco and Pukaqaqa.

(b) Impairment test process

During 2022, following the determination of the recoverable amount of the CGUs, the Group compared their carrying amount with their respective recoverable amounts. At this step, the Group identified an impairment reversal at the CGU Cerro Pasco in the amount of US$ 32,414.

All amounts in thousands of US$ dollars, unless otherwise stated

(c) Impairment reversal – Cerro Pasco CGU

As mentioned above, the impairment reversal was identified at the CGU level, not being directly related to a single asset. Then, the gain was allocated in a pro rata basis to the following assets:

	Carrying amount prior to impairment reversal	Impairment reversal	Carrying amount after impairment reversal
Property, plant, and equipment	118,925	29,586	148,511
Intangible assets	14,307	2,828	17,135
Other net liabilities	(53,398)	-	(53,398)
	79,834	**32,414**	**112,248**

The Group performed a stress test on the key assumptions used for the calculation of the recoverable amount of the CGU Cerro Pasco. A decrease of 5% in the long-term LME zinc price to US$ 2,648 per ton compared to management´s estimation as of December 31, 2022, would have resulted in an impairment reversal of US$ 12,660 (or a decrease in the impairment reversal of US$ 19,654). Also, an increase of 5% in the discount rate compared to management´s estimation as of December 31, 2022, would have resulted in an impairment reversal of US$ 28,534 (or a decrease in the impairment reversal of US$ 3,715).

(d) Impairment results – Other CGUs

The impairment reversal indicators, identified during the year, also led to an increase in the recoverable amount of the other CGUs included in the Mining Peru group of CGUs. The Group estimated the amount by which the value assigned to the key assumptions must change in order for the assessed CGU recoverable amount to be equal to their carrying amount:

	Excess over recoverable amount	Decrease in Long term Zinc (US$/t)		Increase in WACC	
CGU		**Change**	**Price**	**Change**	**Rate**
Cerro Lindo	179,440	(28.1%)	2.003	175.48%	19.1%

31 Long-term commitments

(a) Contracts entered into with the Peruvian Government

On June 24 of 2002, Nexa Peru entered into an Agreement of Guarantees and Measures for Investment Protection with the Peruvian Ministry of Energy and Mines (hereinafter MEM) with respect to our Cerro Lindo unit. Pursuant to section 9 of said Agreement, until December 31, 2021, certain guarantees and benefits were available with respect to operations of the Cerro Lindo unit including, among others, free commercialization of the products proceeding from such unit, free disposition of the currencies generated from the export of the products proceeding from such unit, the right to use the global depreciation rate applicable on the fixed assets relating to the Cerro Lindo unit up to 20.0% per year, the right to keep the accounting corresponding to the Cerro Lindo unit in U.S. dollars, and tax stability.

On December 13, 2007 the MEM, by Director's Resolution No. 1332-2007-MEM/DGM, approved the affidavit of accreditation of compliance with the execution of the technical-economic feasibility study of the Cerro Lindo mining project presented before the MEM by the Group. This Resolution confirmed that the Group benefits from the tax stability regime effective as of July 17, 2001 for a term of 15 years, as from 2007.

The tax stability agreement expired on December 31, 2021. As of January 2022, Nexa Peru is required to pay taxes at statutory rates to the Peruvian government.

(b) Magistral Mining Project

As part of the Company's activities for the execution of certain greenfield projects, the Company has agreed, with the Peruvian Government, to minimum investments levels in the Magistral Project, that if the Company does not meet by September 2024, would require additional disbursements of US$ 102,900 as a penalty for the non-execution of the agreed levels.

(c) Capital commitments

At December 31, 2022, the Group had contracted US$ 19,036 of capital expenditures for the purchase of property, plant and equipment that had not been incurred yet.

32 Events after the reporting period

Between January 1, 2023 and the date of approval of these consolidated financial statements, there were no significant subsequent events that require additional adjustments or disclosures to what was reported.

Independent Auditor's report

To the Shareholders and Board of Directors
Nexa Resources Perú S.A.A. and its subsidiaries

Our opinion

In our opinion, the consolidated financial statements of **Nexa Resources Perú S.A.A.** and its subsidiaries (hereinafter the Group) present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

What we have audited

The Group´s consolidated financial statements comprise:

- the consolidated balance sheet as at December 31, 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

Basis for our opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) approved for application in Peru by the Board of Deans of Institutes of Peruvian Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statement section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code of Ethics) together with the ethical requirements that are applicable to the audit of consolidated financial statements in Peru. We have complied with all other ethical responsibilities under those requirements and the IESBA Code of Ethics.

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Our audit approach

Overview

An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement whether due to fraud or error. Those misstatements 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 those consolidated financial statements.

The scope of our audit and the nature, timelines and extension of our procedures was based on the results of our assessment of the risk that the consolidated financial statements may contain material misstatements, whether due to fraud or error. We conducted our audit with a focus on legal entities considered financially significant in the Group context, combining full scope audit and certain audit procedures on specific accounts to seek the most appropriate level of audit evidence.

Key Audit Matters (KAM) are those matters, which at the professional judgment, had the highest importance in our audit of the consolidated financial statements for the current period:

- Impairment Assessment - long-lived assets.
- Remeasurement of Silver Streaming contractual obligations.

In designing our audit, we have determined the materiality and assessed the risks of material misstatements in the consolidated financial statements. Particularly, we considered those instances in which management had to exercise critical judgments; for example, regarding critical accounting estimates comprising the use of assumptions and consider future events that are not inherently uncertain. We have also addressed the risk of management override of internal controls, including, among other issues, consideration of whether bias existed that may have led to material misstatements in the consolidated financial statements due to fraud or error.

How we have designed scope of the Group Audit

We have designed our scope of audit to enable us to perform sufficient procedures on which to base our audit opinion on the consolidated financial statements as a whole, bearing in mind the Group's structure, the accounting controls in place and industry in which the Group operates.

Our audit of the consolidated financial statements as of December 31, 2022, did not include any significant changes in relation with the audit for the previous years; in setting the overall audit approach for the Group audit, we determined the type of work that should be performed on components mainly based on individual legal entities. In this sense, we considered Nexa Resources Perú S.A.A., Nexa Resources Atacocha S.A.A. and Nexa Resources El Porvenir S.A.C. to be significant components based on their individual share of the pretax profits, as well as a a Nexa Resources UK Limited for the significant risk related to the silver streaming contractual obligations (Silver Streaming), included in the ore concentrates of Nexa Resources Perú S.A.A. produced by its Cerro Lindo mining unit. Additionally, we have considered the individual work performed in each subsidiary.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Those matters were addressed in our audit of the consolidated financial statements as a whole and in forming our opinion on them; however, we do not express a separate opinion on those matters.

Key Audit Matters (KAM)	How our audit addresssed KAM
Impairment Assessment - long-lived assets As explained in Note 30, Impairment of long-lived assets to the consolidated financial statements on December 31, 2022, management performs annual impairment tests on long-lived assets or cash-generating units l("CGU") regardless of whether there is any impairment indicator or not, and more frequently if the facts and circumstances indicate the carrying amount of long-lived assets or CGUs may be impaired. An impairment loss is recognized when the carrying amount of an item exceeds the recoverable amount of long-lived assets and CGUs. Any eventual reversal of impairment is applied to those long-lived assets and CGUs on which impairment was recorded in previous periods. The recoverable amount is the higher of the fair value less costs of sales (FVLCD) and value in use. Management estimates the FVLCD using the discounted cash flows technique. The expected cash flow forecasts made by management by each separate long-lived asset or CGUs include significant judgments and assumptions made regarding the price of metal commodities over the long term and the discount rate used. Management also recognizes impairment losses on other individual assets within the work in progress items and greenfield projects whenever facts and circumstances may be indicative that their carrying amounts are not recoverable. Impairment tests carried out for the year ended December 31, 2022, resulted in recognition of impairment losses of US$51,871 nets of impairment reversals recognized as follows:	Our audit approach to address this KAM included, among others, the following procedures: - Testing the design and operating effectiveness of control over impairment testing on long-lived assets or CGUs implemented by management, including control over the valuation of the Group's CGUs that were considered critical for our audit. - Testing the procedure implemented by management to determine the recoverable amount. - Testing the adequacy of the discounted cash flows model. - Testing completeness and accuracy of the underlying data used in the model; and - Testing the significant assumptions used by management regarding the prices of metals over a long-term horizon and the discount rate. Evaluating the above-mentioned assumptions consisted of assessing whether those assumptions were reasonable considering: (i) the current and past performance of the CGUs; (ii) the consistency with the external market and industry data; and (iii) whether these assumptions are consistent with the evidence obtained in by other audit areas. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and certain significant assumptions, including the discount rate and the prices of metals over a long-term.

Key Audit Matters (KAM)	How our audit addresssed KAM
- Impairment loss of US$74,910 on the greenfields projects Shalipayco and Pukaqaqa; - Impairment loss of US$9,375 on the Group individual assets. - Reversal of impairment of US$32,414 on Cerro Pasco CGU. The major consideration made in determining whether performing audit procedures on the management's assessment of impairment of long-lived assets or CGU to be a KAM was management's exercise of significant assumptions on its assessment of impairment of long-lived assets or CGU in developing the recoverable amount of those items. This, in turn, led to a high degree of judgment, bias and effort on the part of the auditor in performing audit procedures to assess management's expected cash flow projections and the significant assumptions used, including the prices of metal commodities in the long term and the appropriate discount rate. In addition, the audit effort involved the use of professionals with specialized knowledge and expertise to assist the audit team in performing procedures to assess the audit evidence obtained.	
Remeasurement of silver streaming contractual obligations As explained in Note 26, Contractual obligations to the consolidated financial statements on December 31, 2022, in 2016 the Group signed a silver streaming agreement for the early sales of a portion of silver contained in lead and copper concentrates at Cerro Lindo mining unit in the form of certificates of silver delivery to Triple Flag Mining Finance Bermuda Ltda. (counterparty) for an early payment of US$250 million. Under the silver streaming agreement, the Group has a variable consideration related to the production capacity of the mine and its useful life, (LOM) and the long-term prices of metals.	Our audit approach to address this KAM included, among others, the following procedures: - Testing the design and operating effectiveness of controls in place over the review of the calculation of liabilities comprising contractual obligations to mitigate the risk of their overestimation/underestimation as well as a review of the sales prices of silver in under the agreed terms and conditions as a way to determine the correct period and whether the silver certificate sales transaction actually occurred.

Key Audit Matters (KAM)	How our audit addresssed KAM
For contracts containing a variable consideration, the transaction price is updated periodically, and it is reallocated to the transferred goods. In this sense, contractual obligations need to include an updated transaction price every time a change in the underlying production of a given mine. The transaction price is the assessed value for which the Group expects to obtain economic benefits in exchange for the goods promised to its counterparty. Change in the transfer price results in a retroactive adjustment of revenue over the time when the change occurs, which reflects the new production levels that are expected to be delivered under the sales agreement. Also, a retroactive adjustment is made on interest to reflect the impact of a change in the balance of the contractual obligation. The adjustment for remeasurement of contractual obligations involving silver content sales made for the year ended December 31, 2022, resulted in recognition of: US$10,565 Lower balance of net sales US$1,041 Higher balances of interest US$(11,606) Higher balance of liabilities involving contractual obligations Our major consideration in determining whether to perform procedures on the "Remeasurement of silver streaming contractual obligations" was a KAM was the significant judgment used by management to review the production capacity of the mining unit, involving projections of future prices of silver, which is a major assumption in calculation of the contractual payments. This, in turn, led to a high degree of judgment, bias and effort on the part of the auditor in performing audit procedures to assess those significant assumptions. In addition, the audit effort involved the use of professionals with specialized knowledge and expertise to assist the audit team in performing procedures to assess the audit evidence obtained.	- Testing the procedures in place used by management to assess and determine the significant assumptions used, i.e., long-term prices of metals and the production capacity of the Cerro Lindo mining unit reflecting its LOM. Professionals with specialized skill and knowledge were used to assist in the evaluation of the assumptions.

Other information

Management is responsible for other information. The other information comprises the annual report required by the Peruvian Company and Security Regulator (Superintendencia del Mercado de Valores - SMV) that is not included in the consolidated financial statements or our audit opinion, which will be available to us after the date of our audit opinion.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when available to us, and in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements, or our knowledge obtained in the audit. audit or if it appears that the other information is materially misstated for any other reason.

When we read and consider the annual report, if we conclude that it contains a material error, we are required to communicate the matter to those responsible for Group Corporate Governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB); and the internal control that management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs 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 these consolidated financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, February 15, 2023.

Gaveglio Aparicio y Asociados

Countersigned by

---(partner)
Fernando Gaveglio
Peruvian Certified Public Accountant
Registration No. 01-019847