

Mining that changes with the world

nexa

1Q23 Results

April 28, 2023

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1Q23 | Highlights



Overall, 1Q23 operating performance was as expected with 2023 production **guidance reaffirmed**

- **Resumption of Cerro Lindo's operations** after effects of the passage of cyclone Yaku in Peru
- 1Q23 **mining cash cost below lower guidance range**



Financial Performance

- **Net revenue:** US\$667 million (8% decrease y-o-y)
- **Adjusted EBITDA:** US\$133 million (39% decrease y-o-y and 11% increase vs. 4Q22)



Solid Balance Sheet:

- Long-term debt profile with adequate leverage (1.9x)
- Working capital affecting negatively the cash position in 1Q23



Aripuanã ramp-up ongoing

- Focus on **stabilizing concentrator plant and throughput rate**
- **Solid exploration program in 2022** increasing life of mine by approx. **3 years** and 1Q23 exploration showing positive results



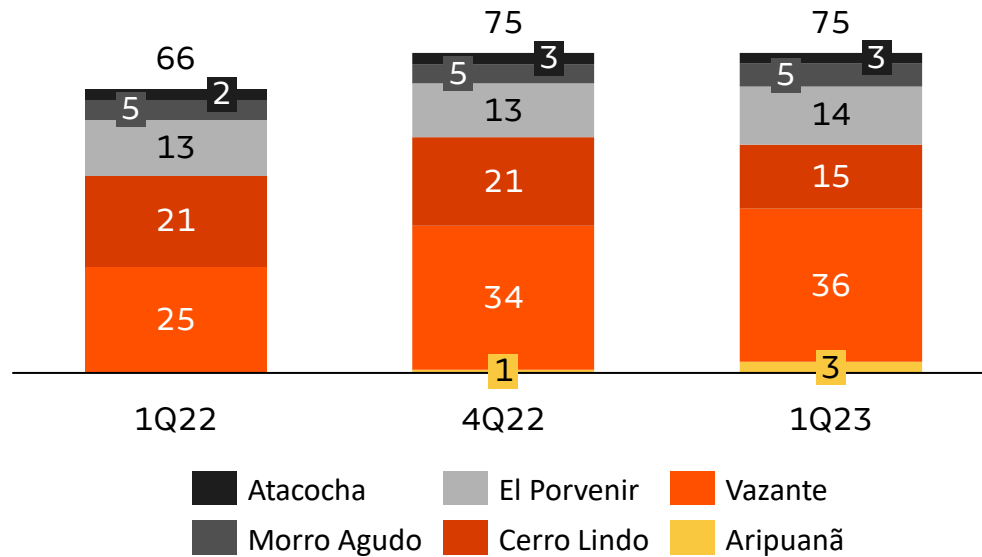
Cerro Pasco

- Advancing on studies to develop a **robust organic strategic option**

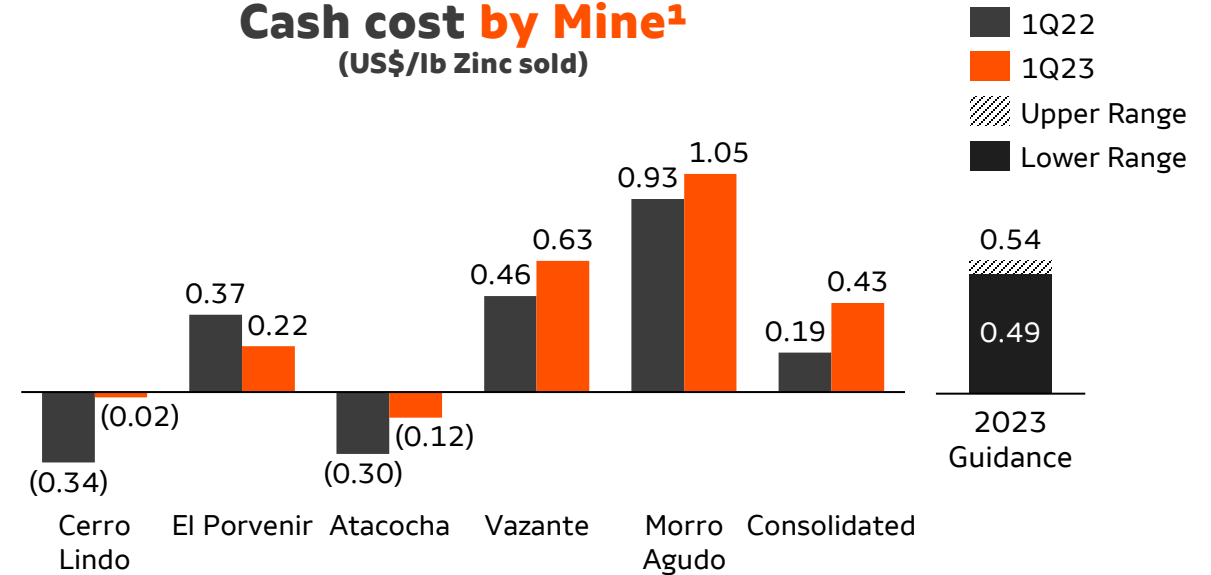
Operating Performance | Mining Segment



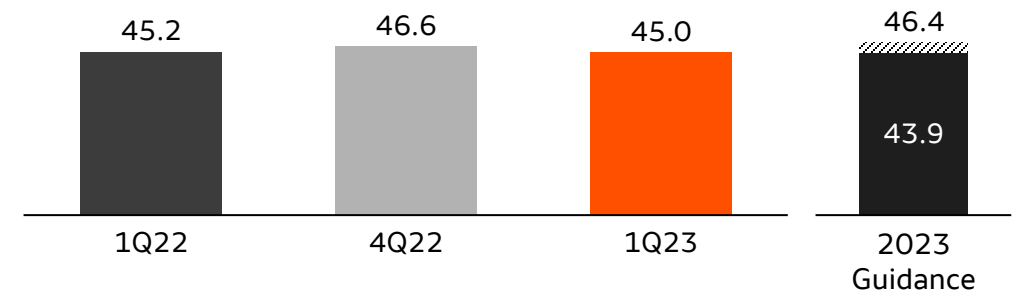
Zinc Production (000 ton)



Cash cost by Mine¹ (US\$/lb Zinc sold)



Consolidated Cost per ROM (US\$/ton Zinc sold)



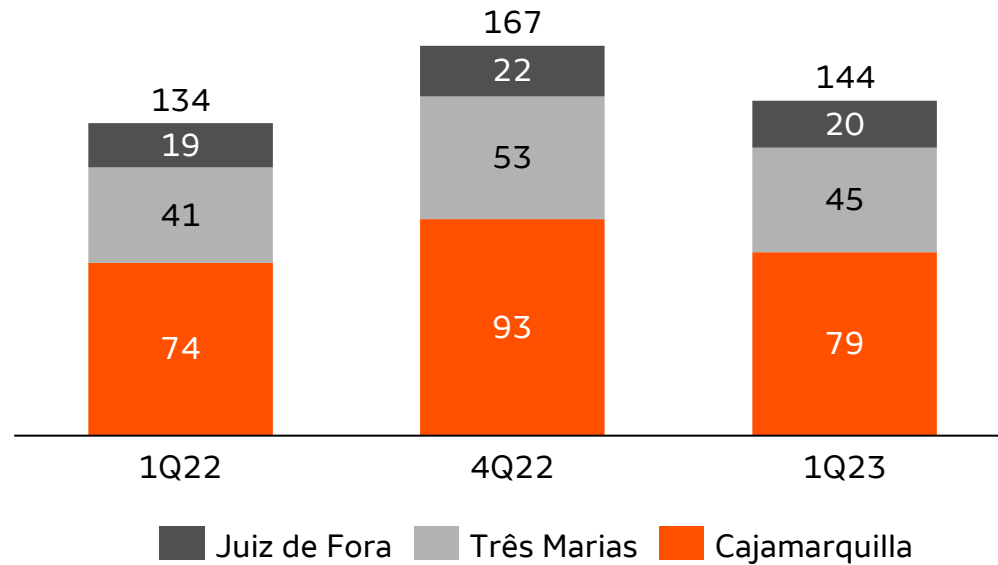
- **Zinc production +13%** (vs. 1Q22): resumption of Vazante production levels (post 1Q22 events) and Aripuanã production start offsetting Cerro Lindo reduction due to impacts from Yaku cyclone
- **Mining cash cost net of by-products** increase y-o-y was mainly due to lower by-products credits (lower prices). **Consolidated cost per ROM** flat vs. 1Q23 and lower vs. 4Q22

1. 1Q23 consolidated cash cost of the Mining Segment and cash cost guidance in US\$/lb does not consider Aripuanã's cash cost.

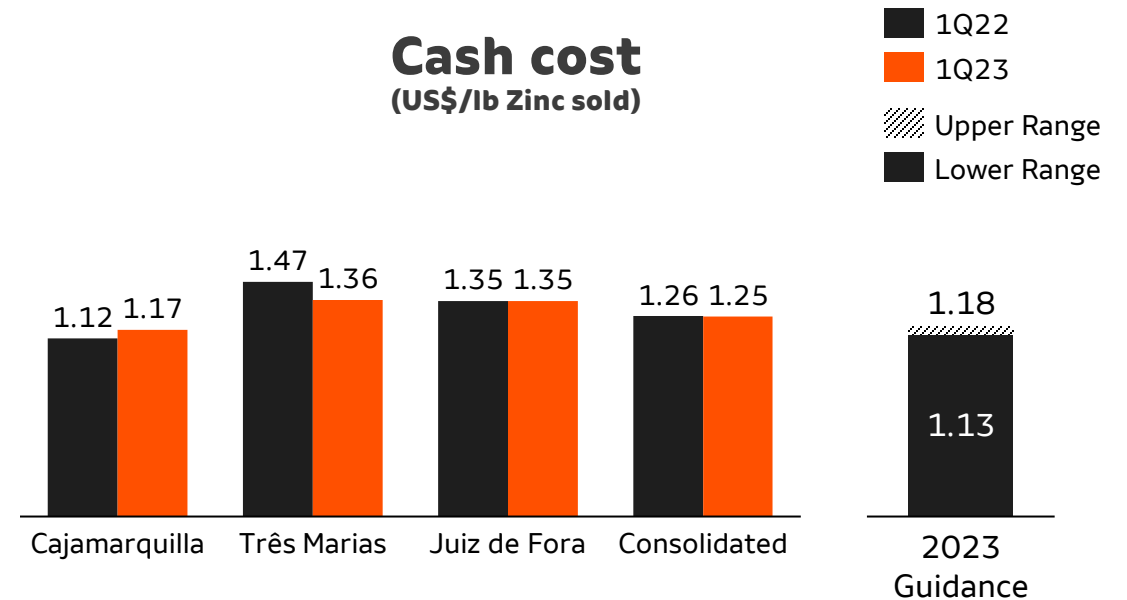
Operating Performance | Smelting Segment



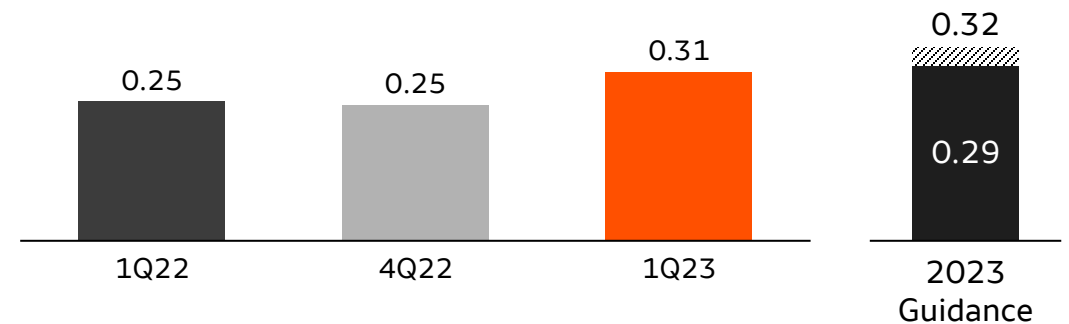
Metal Sales (000 ton)



Cash cost (US\$/lb Zinc sold)



Consolidated Conversion Cost (US\$/lb)



- **Metal sales** were up by 7% from 1Q22 → improved feed in Tres Marias (Vazante concentrate) and performance in Cajamarquilla
- **Consolidated conversion cost:** overall conversion cost in guidance. Impact mainly due to fewer net cost benefits from Pollarix related to the accounting effect regarding Enercan's deconsolidation

Aripuanã | Update

World-class, long-life underground polymetallic mine – our 3rd flagship mine



Ramp-up Status



- ✓ Ramp-up activities have continued to make progress
- ✓ Current focus on plant stabilization (concentrate grade and quality), and throughput rate increase
- ✓ Expect to achieve nameplate capacity in 2H23

1Q23 Performance and current status



- US\$15 million invested in sustaining CAPEX in 1Q23 including mining development of US\$6.6 million
- In 1Q23, treated ore volume was 277kt and zinc production reached 2.5kt
- Currently, plant is running at a higher rate and Zn & Cu concentrates achieving stable project-specification grades

Exploration



- Mineral Exploration: exploration activities in 2022 added 8.3Mt of mineral reserves, extending the life-of-mine in 3 years (LoM of 14 years)
- 1Q23 exploration activities focusing on northwest extension of the Babaçu, with positive results already seen

Exploration program | 1Q23 achievements

High quality pipeline of projects driving a sustainable, long-term business plan

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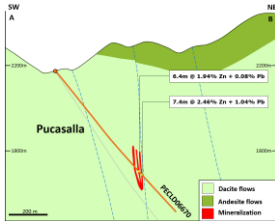
Life of Mine
(years)

8 years

9 years

14 years

6 years
(El Porvenir)



Cerro Lindo:

Meters Drilled¹: 17,152m

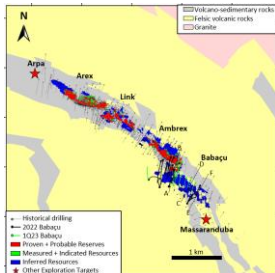
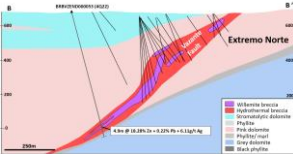
The exploration program continued to focus on **extensions of known ore bodies** to the southeast of Cerro Lindo, and at the Pucasalla target, 4.5 km to the northwest of the mine.

Vazante:

Meters Drilled¹: 10,238m

The brownfield exploration at Vazante is targeting the expansion of existing mineralized zones and the exploration of new areas to define new mineralized zones near the mine.

Results confirmed the extent of the mineralized zones in Extremo Norte and Varginha Norte target. In 1Q23, the drilling program continued focusing on the Extremo Norte area, where a hole intercepted (2.2 meters with 15.29% Zn).

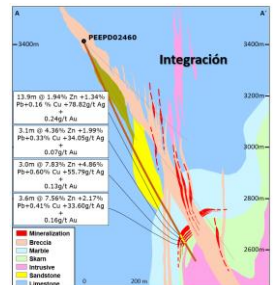


Aripuanã:

Meters Drilled¹: 13,909m

The Aripuanã exploration strategy focuses on increasing Mineral Resources at the **Ambrex orebody and Babaçu exploration target**, which lies to the southeast of the Ambrex deposit.

In 1Q23, multiple mineralized zones were intercepted, including a hole with (10.7 meters, 18.84% Zn, 11.50% Pb, 216.23g/t Ag).



Cerro Pasco Complex:

Meters Drilled¹: 14,190m (El Porvenir)

The exploration drilling strategy in El Porvenir continues to focus on extending the existing satellite mineralized bodies along strike and at depth. The focus at El Porvenir during 1Q23 was to drill the Integración and Porvenir Sul targets, aiming to extend the mineralized zones, respectively in the lower-intermediate and upper levels of the mineralized unit.

Note: Mine Life based on Mining Report 2022; mine life calculated by dividing reserves by ore mined capacity; ⁽¹⁾ Includes: exploration and infill drilling.

Pasco Complex: Integration project

A robust organic strategic option

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🌟 Key highlights and strategic rationale

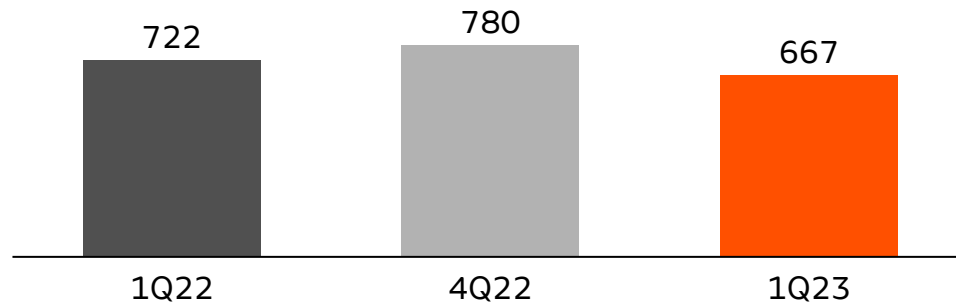
- Reposition the asset competitiveness (optimizing operating costs and capex) building a **robust organic strategic option with longer LoM**
- The project: integration of AT and EP underground mines **unlocking site's full potential**
- **High geological potential to be further explored**
- **Nexa operates in the area for +50 years**

🔗 Project scope

- **Upgrade El Porvenir mine hoisting system** improving its capacity to accommodate ore from underground Atacocha
- **Develop and integrate AT with EP underground mines**
- **Improve tailings capacity and Increase El Porvenir plant capacity**
- Exploration to increase resources and blue-sky inventories: large amount of Atacocha UG resources to be converted into reserves within the project
- Expect to submit to board approval: 4Q23

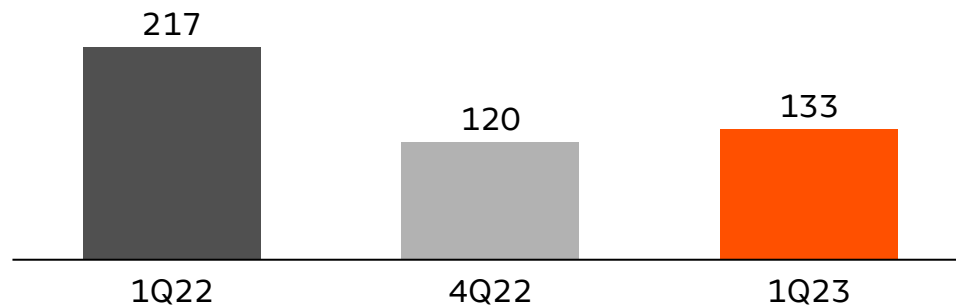


Net Revenues¹



- **Lower net revenue** in **1Q23** (vs. 1Q22), mainly driven by lower metal prices
- **Compared to 4Q22**, net revenue **decreased by 14%** driven by **lower** metal sales volumes and lower mine production due impacts of cyclone Yaku in Cerro Lindo

Adjusted EBITDA²



- **Adjusted EBITDA in 1Q23** decreased to US\$133 million y-o-y, mainly due to lower LME metal prices and by-products contribution (i.e. sulfuric acid price affecting some smelting operations)
- **Compared to 4Q22**, Adj EBITDA **increased by 11%** due to the positive price effects, the positive effect of variation in mark-to-market “MTM” of inventories in the smelting segment and lower maintenance and 3rd party expenses

(1) Includes intersegment results; (2) Adjusted EBITDA excludes the items presented in the “Adjusted EBITDA reconciliation to net income” section on our earnings release – US\$18 million in 1Q23, US\$84 million in 4Q22 and US\$28 million in 1Q22.

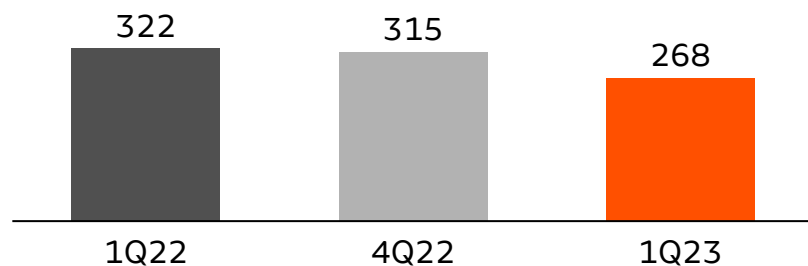
1Q23 | Adjusted EBITDA

By Segment

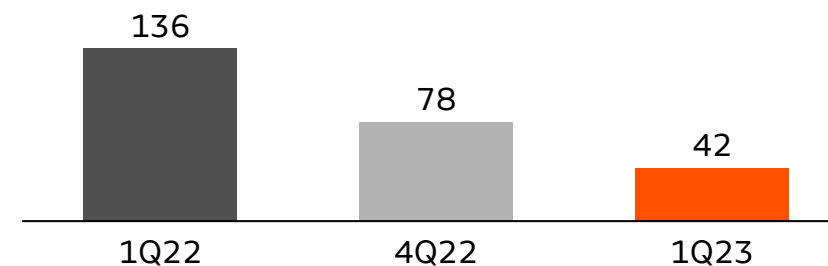


Mining

Net Revenue

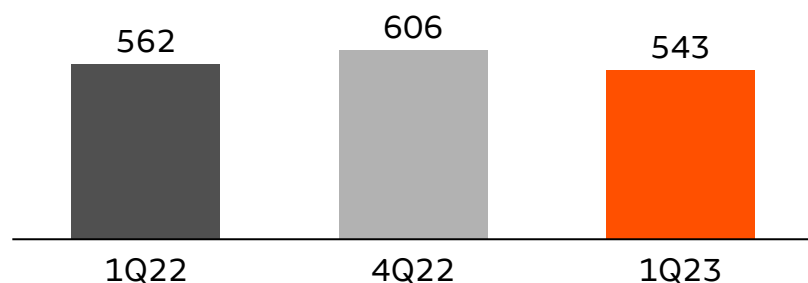


Adjusted EBITDA¹

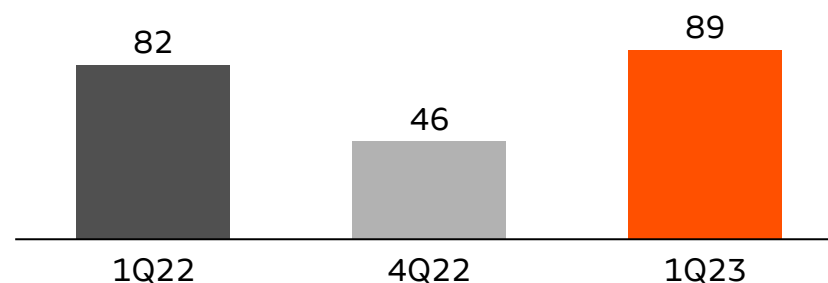


Smelting

Net Revenue

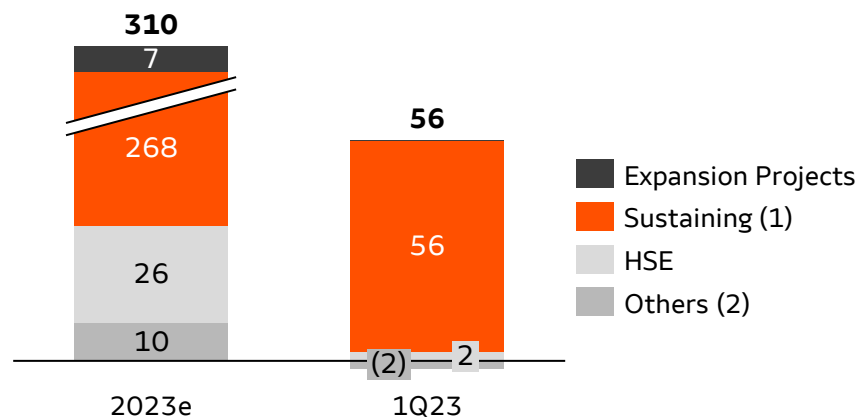


Adjusted EBITDA¹



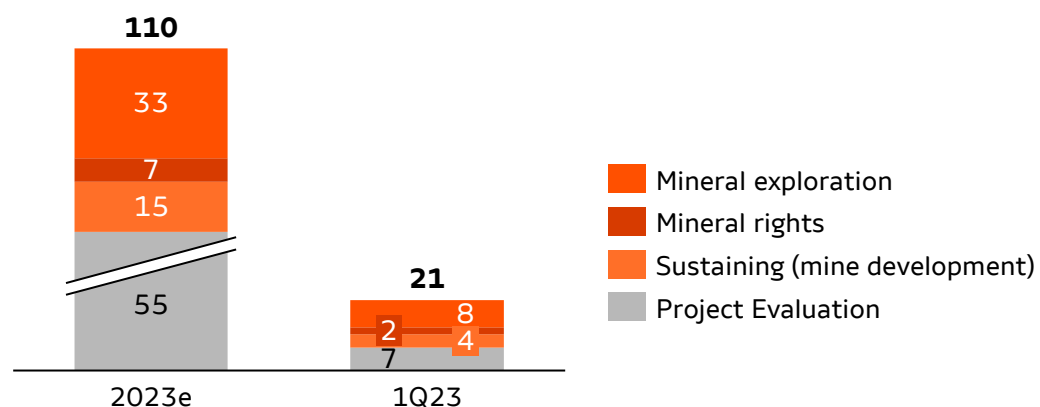
(1) Intersegment results does not consider Adjustments. The Consolidated Adjusted EBITDA of US\$133 million considers adjustments.

Capital expenditures



- Nexa invested US\$56 million in 1Q23 almost entirely related to sustaining activities, including US\$15 million in Aripuanã.
- 2023 estimated CAPEX of US\$310 million remains unchanged.

Exploration and Project evaluation

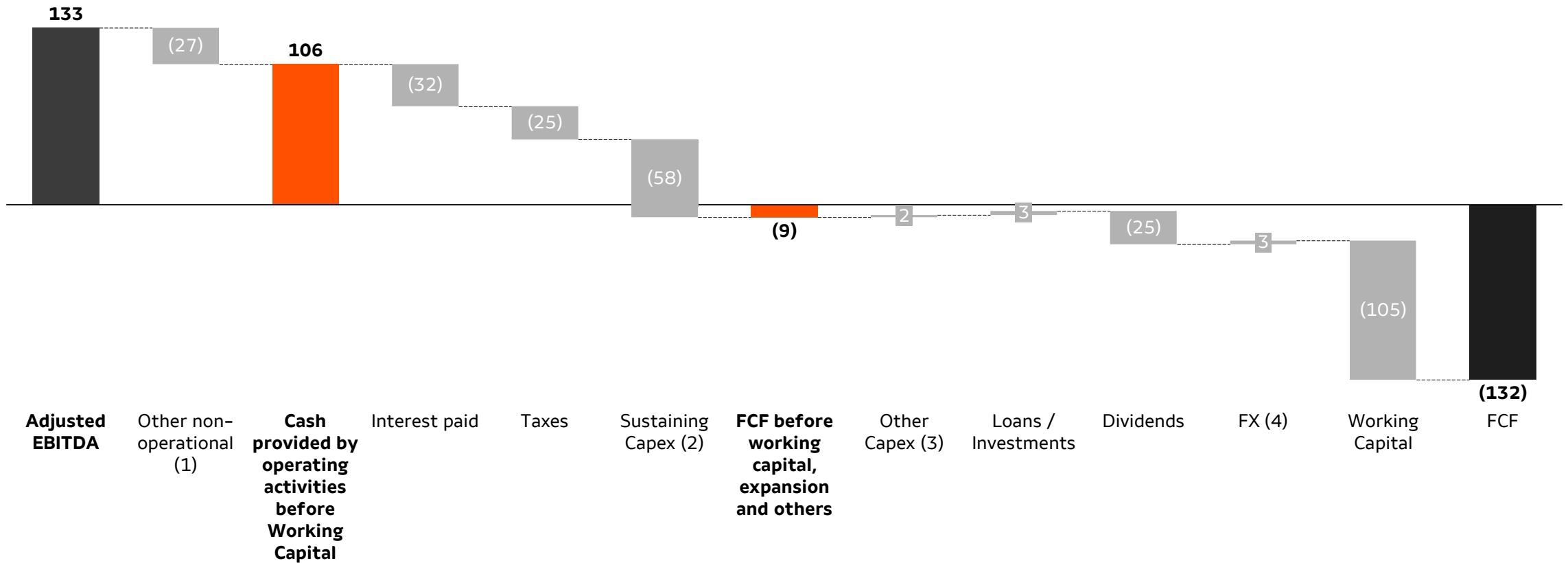


- In 1Q23 we invested US\$21 million in exploration and project evaluation, and both are progressing as planned
- Total planned exploration and project evaluation expenditures are expected to be US\$110 million in 2023 and remain unchanged.

(1) Investments in tailing disposal and primary **mine development** are included in sustaining expenses. (2) Modernization, IT and others; including reconciliation of advance payment of imported materials and capitalization of interest net of advanced payments.

1Q23 | Cash Flow

US\$ million



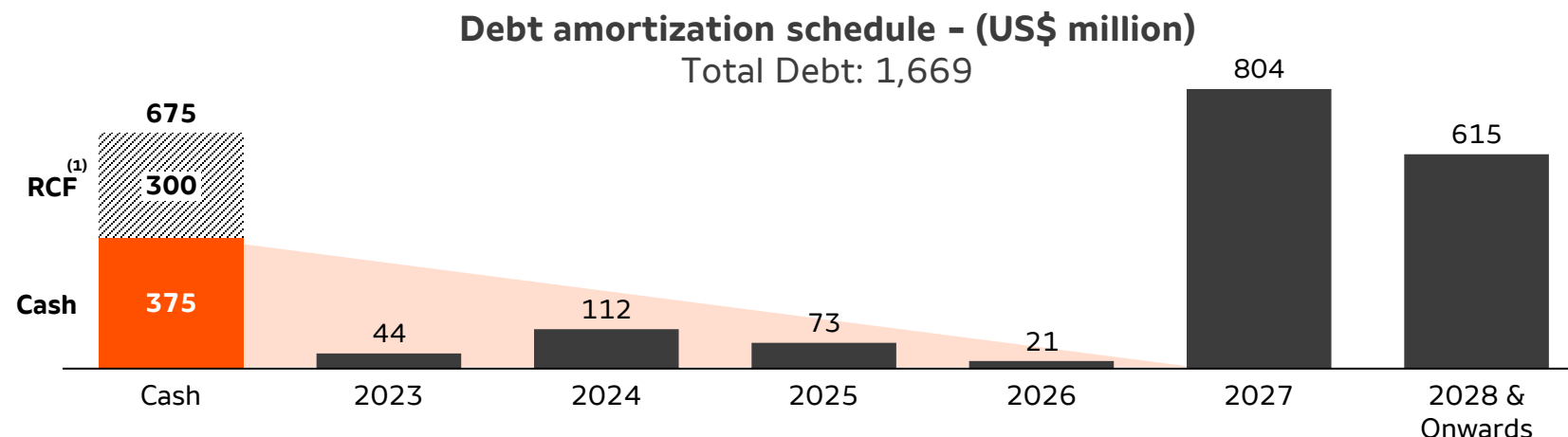
Working capital impact of US\$105 million mainly due to Aripuanã 1Q23 working capital investments of US\$29 million and the decrease in trade and confirming payables (higher payments volume between periods)

(1) Adjustments to reconcile Adjusted EBITDA to cash provided by operations; (2) "Sustaining CAPEX" includes Sustaining, HS&E, Tailing Dams; (3) "Other CAPEX" includes Expansion/Greenfield (ex-Aripuanã), Modernization, IT & Others (detailed breakdown available in the Earnings Release); (4) Foreign exchange effects on cash and cash equivalents.

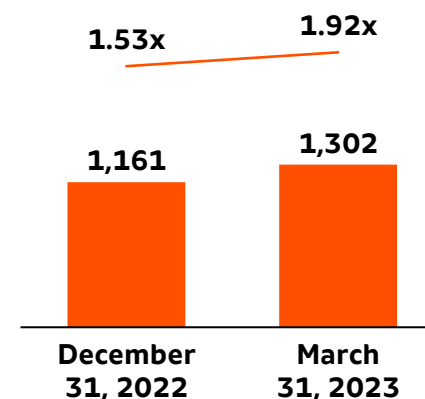
Liquidity and Indebtedness

Debt profile (as of March 31, 2023)

Average debt maturity: 4.4 years @5.49% avg. cost



Net Debt⁽²⁾/LTM Adj. EBITDA



- Sound balance sheet with a long-term debt profile
- 1Q23 working capital of -\$105 million related to Aripuanã and confirming payables in the period temporarily impacting cash position
- Leverage = 1.92x

Rating agencies

Rating

Outlook

Fitch

BBB-

Stable

S&P

BB+

Stable

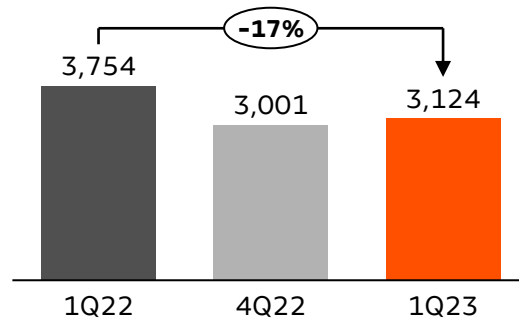
Moody's

Ba2

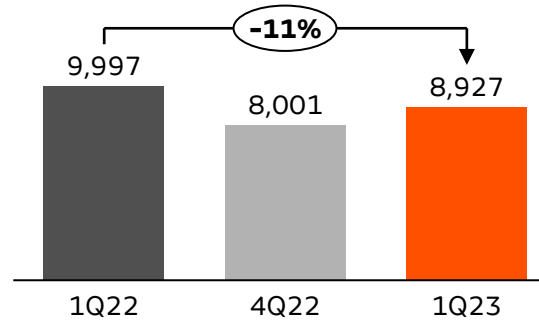
Stable

Note: In 1Q23 Nexa was in compliance with all of its financial covenants; (1) Revolving Credit Facility; (2) Gross debt (US\$1,669 million) minus cash and cash equivalents (US\$366 million), minus financial investments (US\$9 million), plus derivatives (US\$4 million), plus Lease Liabilities (US\$4 million).

Zinc
LME average price¹
US\$/ton



Copper
LME average price¹
US\$/ton



Zinc LME price evolution²
US\$/ton



Copper LME price evolution²
US\$/ton



Comments:

Zinc

- **Short-term:** uncertainty over Russia-Ukraine war and energy prices in Europe impacting metal production. Demand recovering in China, but still mixed feelings in RoW
- **Mid-long term:** outlook remains positive, supported by a lack of feasible projects to fulfill forecasted demand which is expected to be driven by investments in infrastructure, construction, renewable energy, and auto sector

Copper

- **Short-term:** LME inventories still at low levels. Volatility in the macro scenario generating volatility in metal price
- **Mid-long term:** EV production and renewable energy projects to drive copper demand. On the supply side, both greenfield and brownfield projects are expected come online in 2024-2025 however, the forecasted future demand will require more supply efforts



⁽¹⁾ Based on daily prices, as traded in the London Metal Exchange. ⁽²⁾ Based on daily prices until April 26th, 2023, as reported by the London Metal Exchange and Shanghai Futures Exchange



Conclude the **ramp up** of **Aripuanã**, expect to reach nameplate capacity in 2H23



Pasco Complex: move forward with evaluation of the integration project, aiming to structure a robust organic strategic option



Continue to **deliver on guidance**, focus on **cost control**, efficiency and **cash flow** generation



Execute our exploration program in current operations and projects, **to continuously extend LOM**



Keeping our ESG strategy active and, through our initiatives, constantly **evolving toward our commitments**



Maintain **financial discipline** with focus on **balance sheet** strength and conservative **leverage** ratios





thank you
thank_you,

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