

Mining that changes with the world

nexa

4Q23 and 2023 Results

February 22, 2024

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Disclaimer

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Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable and appropriate by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies and may prove to be incorrect. Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, full integration of mining and smelting operations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, adverse weather conditions, and other COVID-19 related impacts, and that there are no material unanticipated variations in metal prices, exchange rates, or the cost of energy, supplies or transportation, among other assumptions.

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Nexa's management uses non-IFRS measures such as Adjusted EBITDA, cash cost net of by-products, all in sustaining cash cost net of by-products, among other measures, for internal planning and performance measurement purposes. We believe these measures provide useful information about the financial performance of our operations that facilitates period-to-period comparisons on a consistent basis. Management uses Adjusted EBITDA internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. Management believes that Adjusted EBITDA is a useful measure of our performance because it reflects our cash generation potential from our operational activities excluding impairment of non-current assets and other miscellaneous adjustments, if any. These measures should not be considered in isolation or as a substitute for profit (loss) or operating profit, as indicators of operating performance, or as alternatives to cash flow as measures of liquidity. Additionally, our calculation of Adjusted EBITDA may be different from the calculation used by other companies, including our competitors in the mining industry, so our measures may not be comparable to those of other companies.

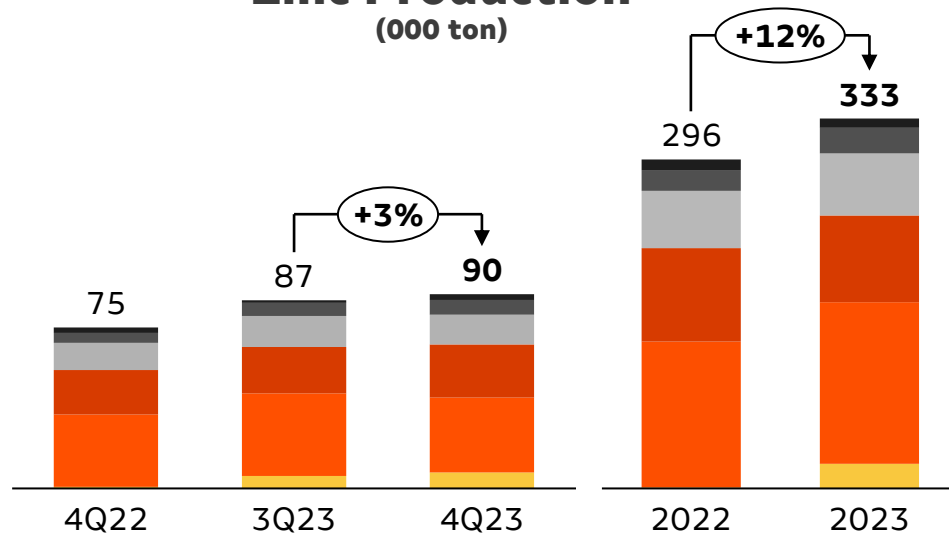
2023 | Highlights



- ✓ **Solid operating performance in all metrics**
 - **Mining production:** upper range of the guidance in all metals
 - **Metal sales:** mid-point of the guidance
 - **Mining cost ROM and Smelting conversion cost:** within the guidance
 - **Capex:** within the guidance and **Opex:** below guidance
- ✓ **Sound Financial Performance:** still challenging price environment + Aripuanã ramp-up
 - **Net revenue:** US\$2,573 million
 - **4Q23 adjusted EBITDA:** US\$105 million (+28% q-o-q)
 - **FY23 adjusted EBITDA:** US\$391 million
- ✓ **Aripuanã ramp-up**
 - 2023 production within the guidance. **4Q23 higher production vs. 3Q23**
 - Ramp-up progressing as planned: improving plant reliability and stabilization
- ✓ **Others**
 - **Cerro de Pasco integration:** moving towards approval process
 - **Advancements on ESG:** leading position in carbon reduction in the Zinc industry
 - **Exploration:** indications of positive results in current operations and projects (85,199 m of exploratory drilling)

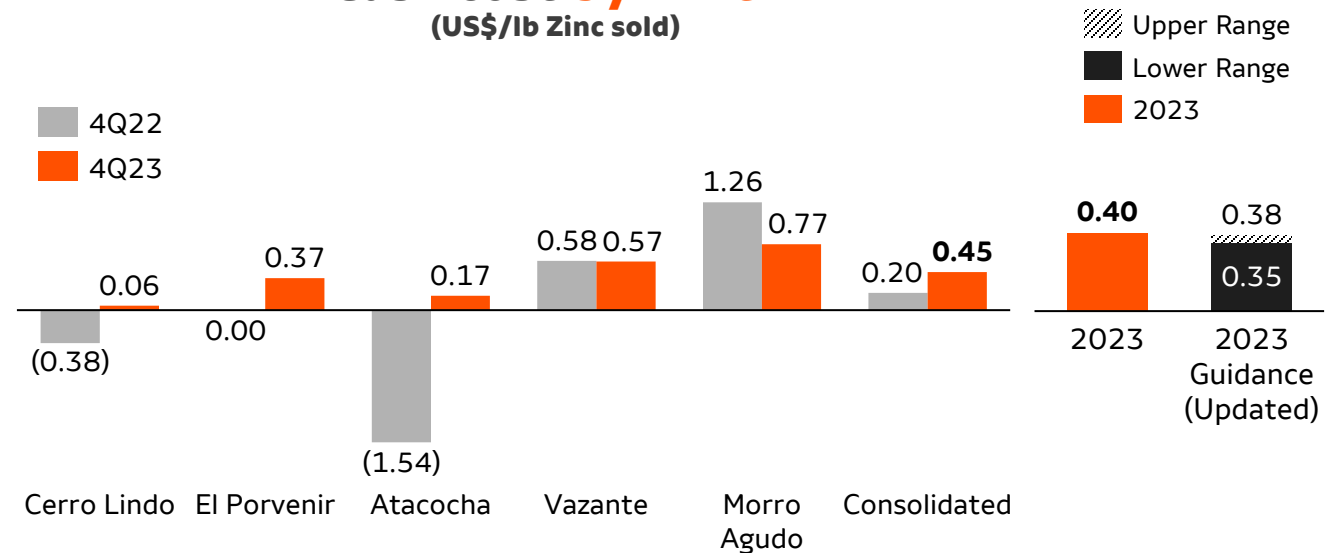
Operating Performance | Mining Segment

Zinc Production (000 ton)

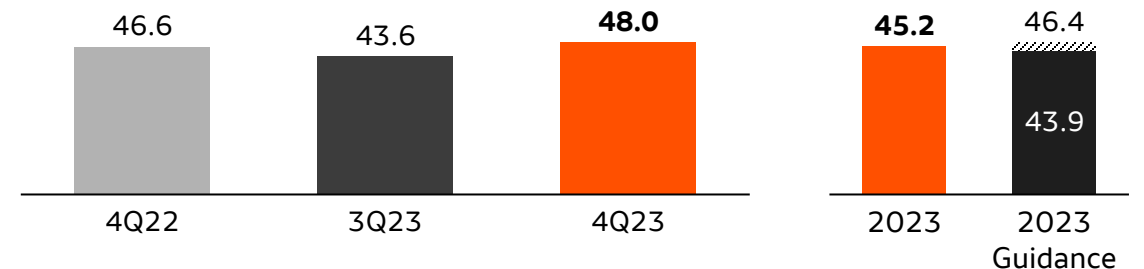


Atacocha Morro Agudo El Porvenir Cerro Lindo Vazante Aripuanã

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



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



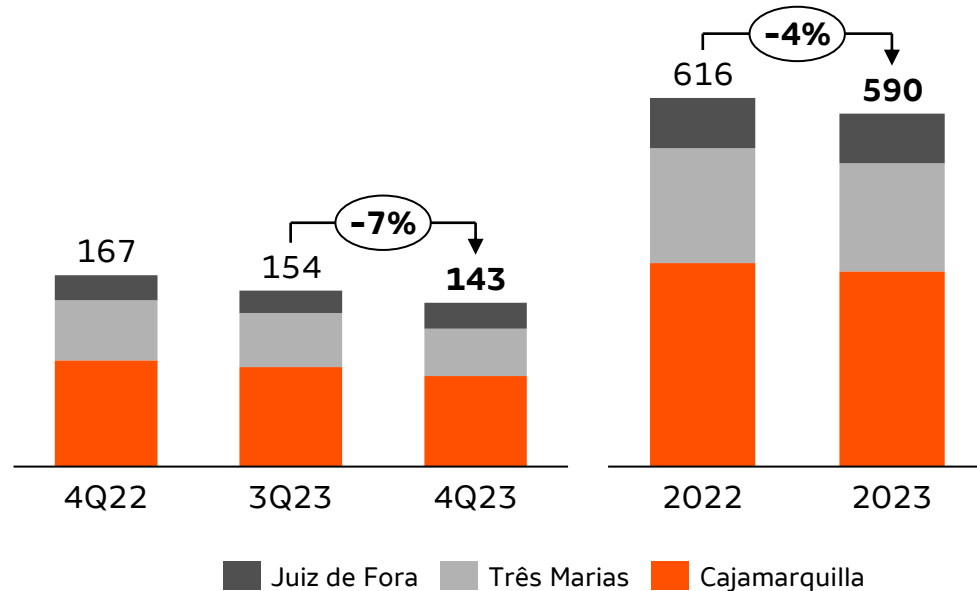
- **Zinc production 2023: +12%** (vs. 2022). Mainly driven by **start-up of Aripuanã mine** and Cerro Lindo volumes.
- **Cash cost net of by-products:** increased y-o-y mainly due to lower by-products contribution from our Peruvian mines
- **Cost per ROM: +3%** (vs. 4Q22) mainly due to higher mine development (drilling) in Peruvian mine. **2023 within guidance**

1. 4Q23 and 2023 consolidated cash cost of the Mining Segment and cash cost guidance in US\$/lb does not consider Aripuanã's cash cost.

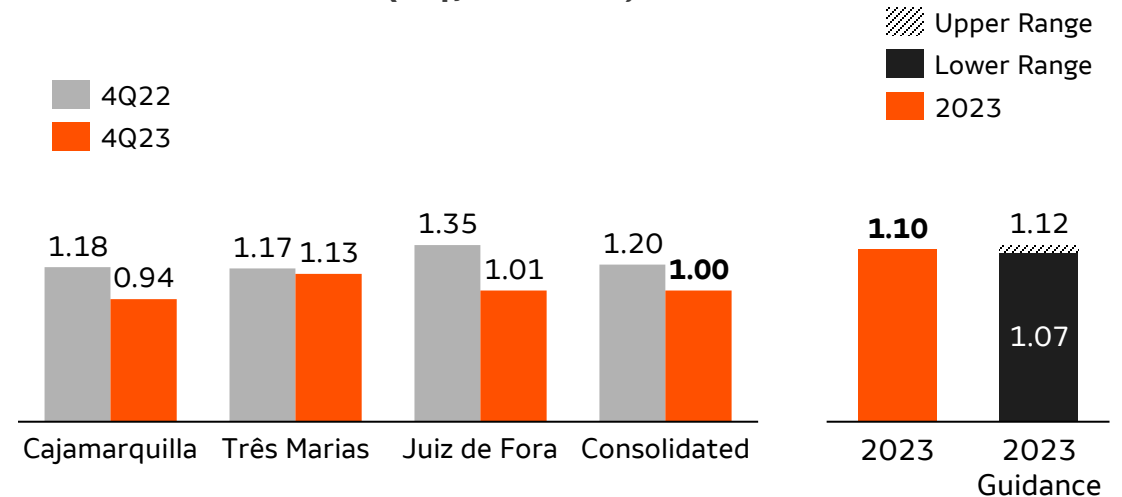
Operating Performance | Smelting Segment



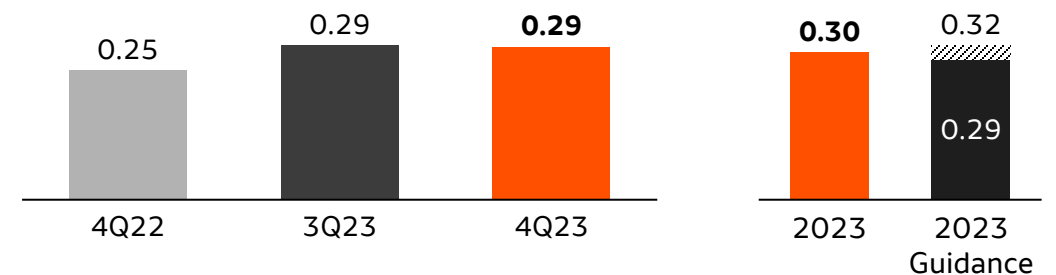
Total Metal Sales (000 ton)



Cash cost (US\$/lb Zinc sold)



Consolidated Conversion Cost (US\$/lb)



- **Total metal sales 2023: -4%** (vs. 2022) following lower volumes from Cajamarquilla and Três Marias
- **Cash cost net of by-products:** lower than 4Q22, due to lower raw material cost (lower Zn LME price). **2023 within guidance**
- **Conversion cost:** up from 4Q22 explained by maintenance and higher energy costs. **2023 within guidance**

Aripuanã | Update (1/3)

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



Ramp-up Status 4Q23

- ✓ Advancements on **plant stabilization**: pumps replacement ongoing and metallurgical process improvements
- ✓ 5 days planned downtime in December: **replace equipment and execute bottleneck taskforce** (focus on increase plant reliability and metallurgical performance)

4Q23 Performance and current status

- **Utilization rate averaged 61%** (vs. 56% in 3Q23), and improving
- **Increased production in all metals. 2023 production within guidance¹** for all metals
- Zn, Pb and Cu **recoveries improving** and **concentrates grades and quality stable** (vs. 3Q23): focus on plant stabilization
- Underground mine: **run of mine and mine development progressing** as planned

4Q23 Exploration

- Results from drill holes² in Babaçu: confirmed the **continuity of mineralization with high polymetallic contents** (e.g. **43.2m** with **13.75% Zn, 5.68% Pb, 0.26% Cu, 85.09 g/t Ag and 0.29 g/t Au**)

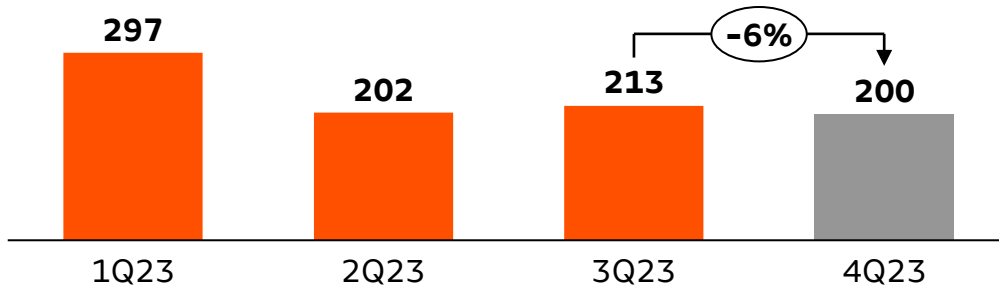
1. Production guidance updated in Oct/23; 2. Drill holes BRAPD000218 and BRAPD000220 as per Fourth Quarter and Full Year 2023 Exploration Results

Aripuanã | Update (2/3)

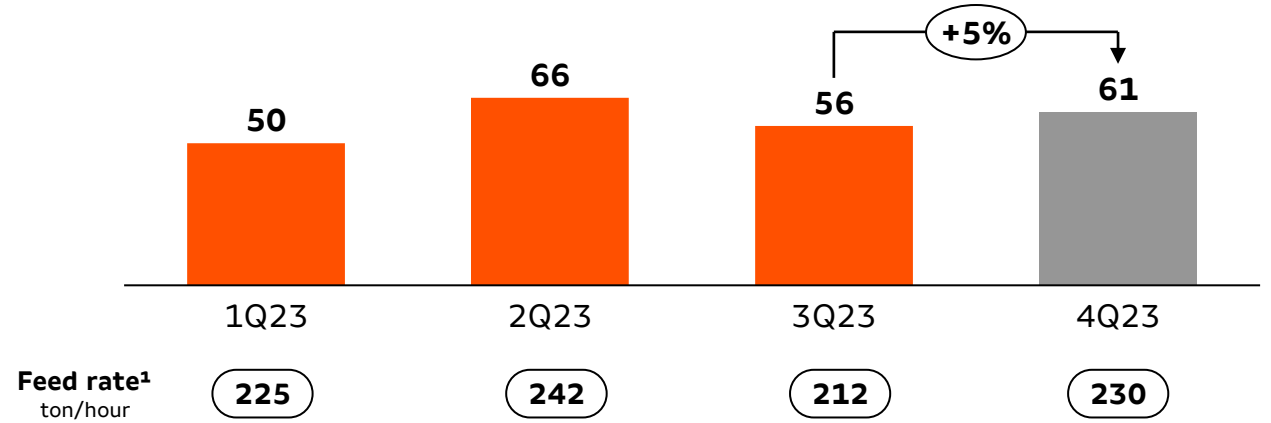
Key indicators progress



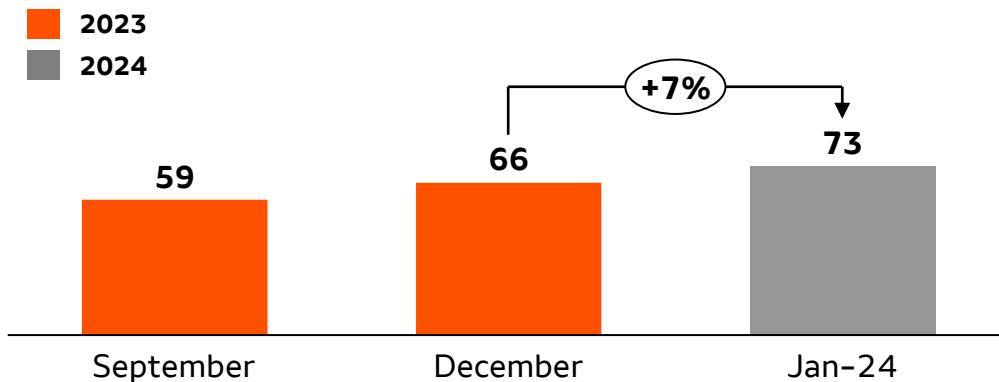
Plant downtime (avg. hours¹)



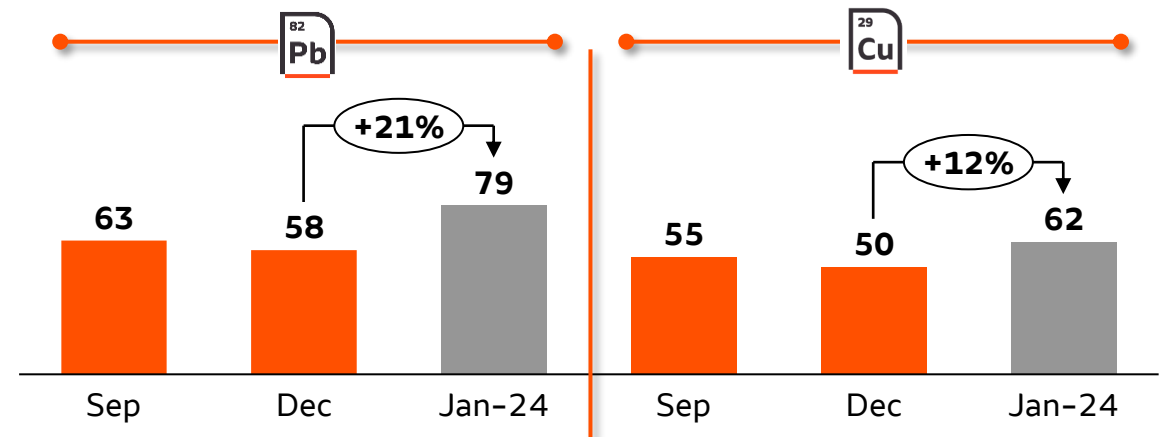
Plant capacity utilization (%)



Zn recovery (%)

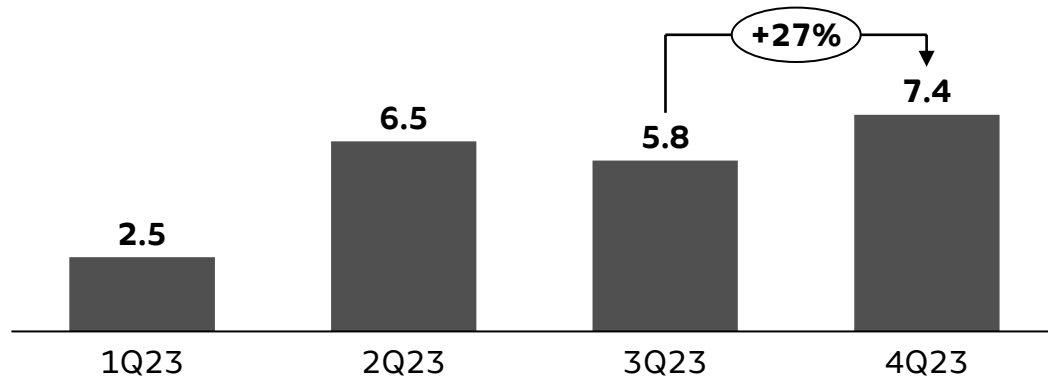


Pb & Cu recovery (%)

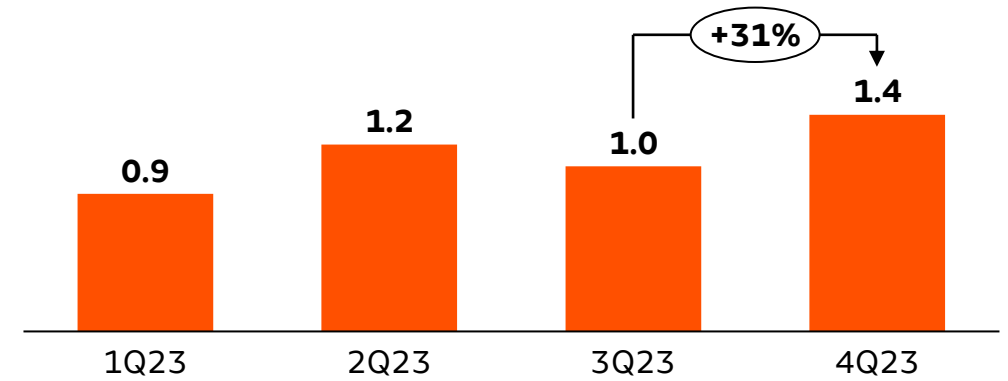


1. Monthly avg. hours. For the quarters, it considers the average of the referred quarter.

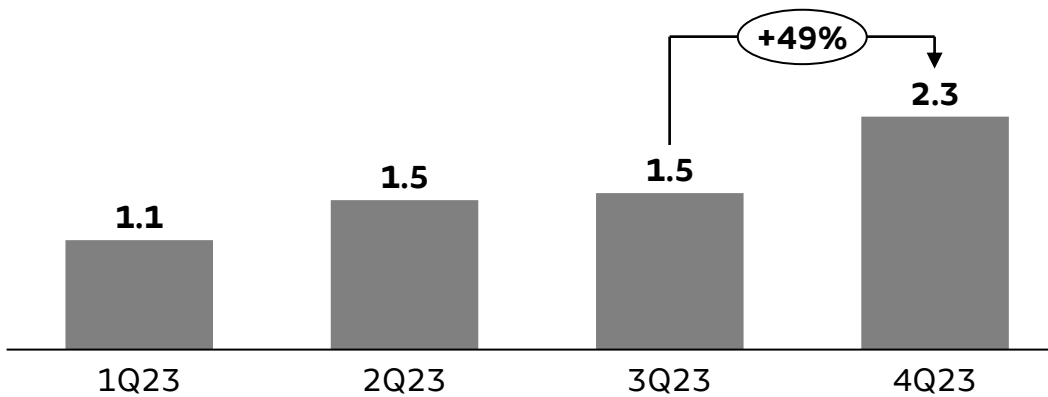
Zinc content production (kt)



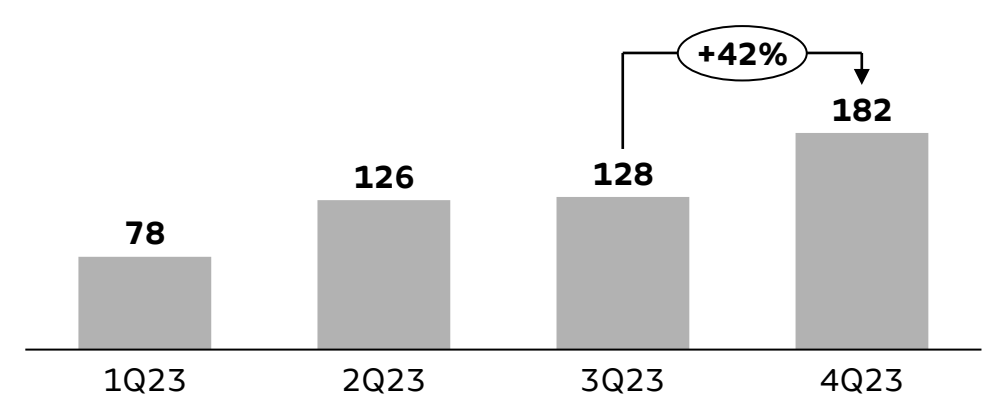
Copper content production (kt)



Lead content production (kt)



Silver content production (koz)

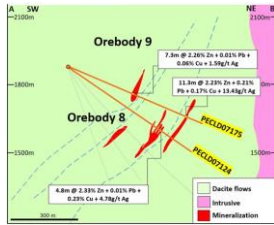


2023 Exploration program | Achievements

Indications of positive results in brownfield and greenfield



Life of Mine (yrs)

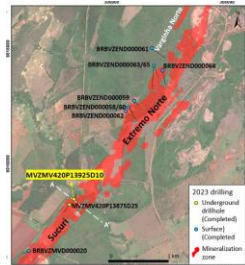


Cerro Lindo:

Meters Drilled¹: 78,911m

The exploratory drilling program at the Cerro Lindo focused on **extending the mineralization** of the OB-8 and OB-9 mineralized bodies, as well as identifying new mineralized zones at the Pucasalla target and its extensions.

8 years

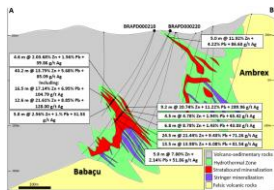


Vazante:

Meters Drilled¹: 45,166m

In 2023, the brownfield exploration at Vazante focused on **expanding existing mineralized zones** in the northern and southern parts of the mine.

9 years

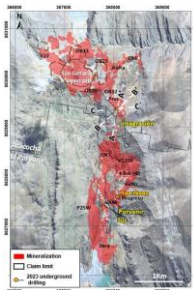


Aripuanã:

Meters Drilled¹: 46,459m

The Aripuanã exploration strategy focused on **increasing Mineral Resources at the Babaçu mineralized body**, which lies to the southeast of the Ambrex deposit, and on **starting drill at the Massaranduba target** to the southeast of Babaçu.

14 years



Cerro Pasco Complex:

Meters Drilled¹: 43,886m (El Porvenir) and 2,941m (Atacocha)

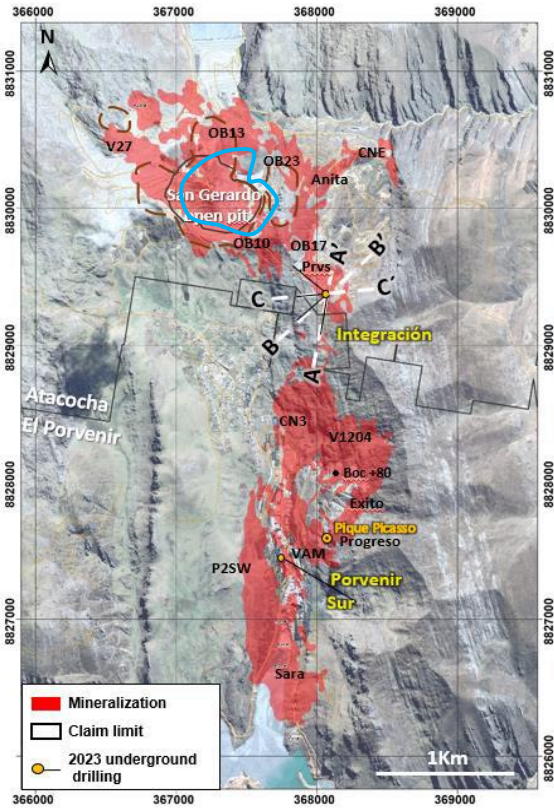
El Porvenir exploration drilling program, in 4Q23, focused on the extension of mineralization at Integración Target. **Results indicate good explorations potential, ready to be converted to mineral resources with infill drilling, supporting the Pasco Integration Project**

6 years
(El Porvenir)

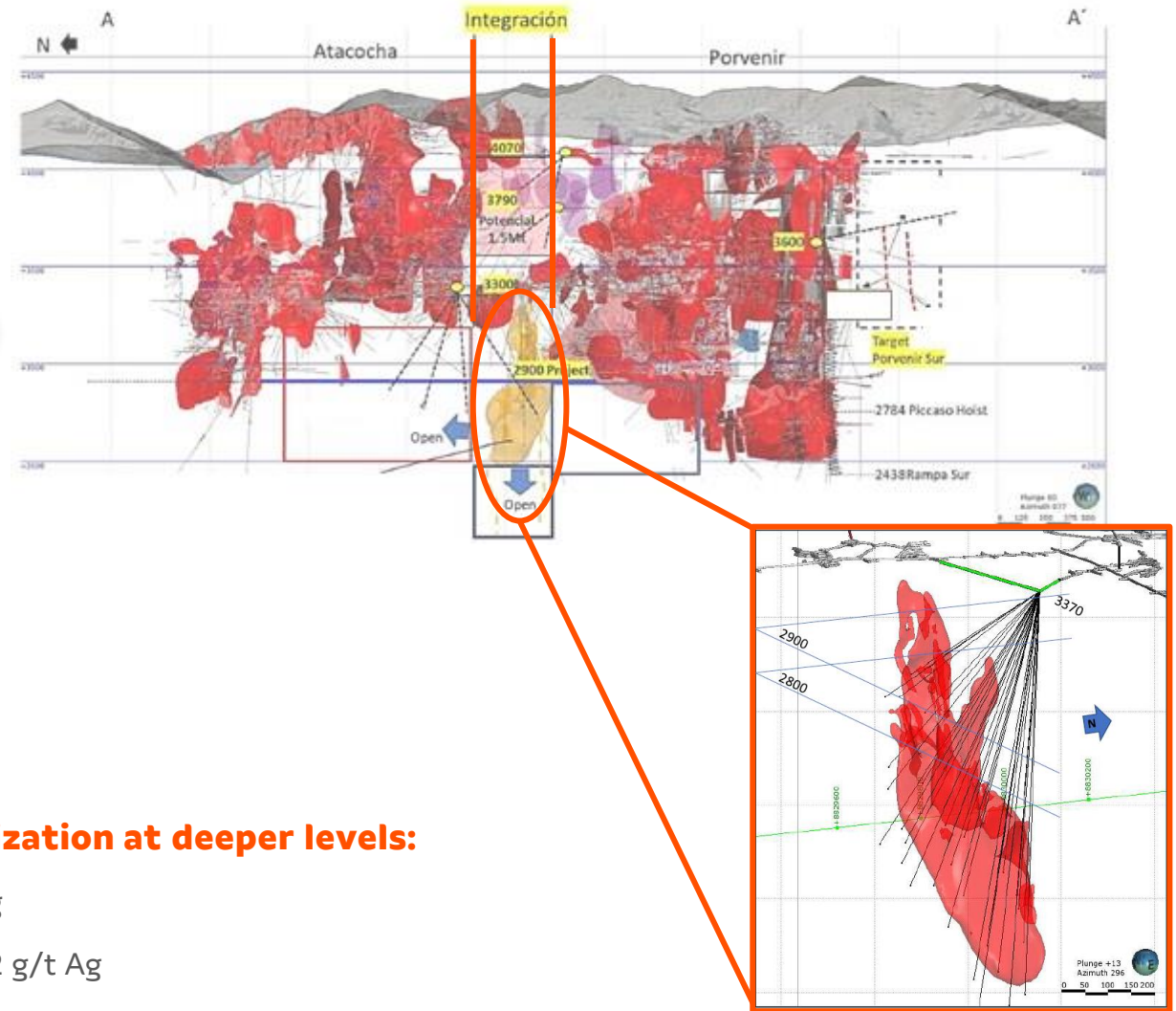
Note: Mine Life based on Mining Report 2022; mine life calculated by dividing reserves by ore mined capacity; ⁽¹⁾ Includes: exploration and infill drilling in 2023.

Exploration | El Porvenir and Integración

Results continue to suggest potential Resources extensions to support the Pasco Integration Project



Integración "Integration": exploration focus area (underground exploration and infill drilling) between the El Porvenir and Atacocha underground mines



2023 program → positive results: continuity of mineralization at deeper levels:

1Q23: 3.0 meters @ 7.83% Zn, 4.86% Pb, 0.60% Cu, and 55.79g/t Ag

2Q23: 12.7 meters in length @ 3.53% Zn, 1.48% Pb, 0.16% Cu, 19.12 g/t Ag

3Q23: 3.2 meters @ 10.59% Zn, 0.18% Pb, 0.26% Cu, 43.79 g/t Ag

4Q23: 3.5 meters with 2.99% Zn, 1.15% Pb, 0.46% Cu, 130.97 g/t Ag and 0.42 g/t Au

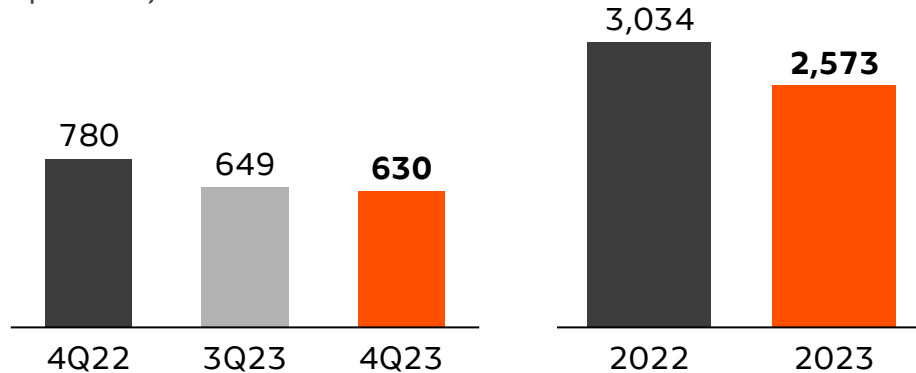
2023 | Adjusted EBITDA

Consolidated Results



Net Revenues¹

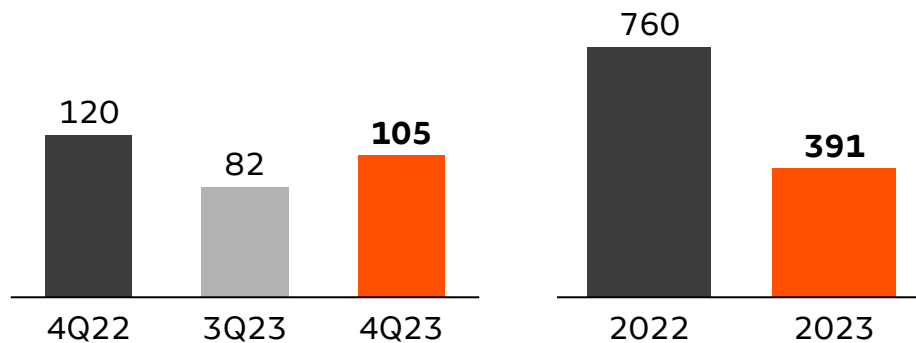
(US\$ million)



- **4Q23:** net revenues decreased by 19% y-o-y due to lower smelting sales volume and lower zinc prices, and by 3% q-o-q due to lower smelting sales volume
- **2023 net revenue:** lower vs. 2022 mainly driven by lower zinc prices (-24%) and copper prices (-4%) and lower smelting sales volume

Adjusted EBITDA²

(US\$ million)

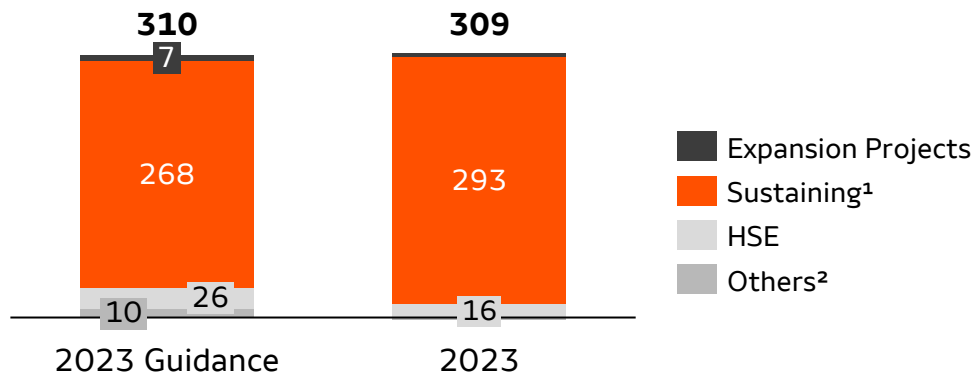


- **4Q23 Adj. EBITDA:** US\$105 million, lower y-o-y mainly due to lower smelting sales volume and lower zinc prices
- **Compared to 3Q23,** Adj. EBITDA **increased 28%** due to higher zinc prices and higher mining production volumes
- **In 2023,** the decrease was mainly due to lower zinc prices, lower smelting sales volume and Aripuanã ramp-up impact

(1) Includes intersegment results; (2) Adjusted EBITDA excludes the items presented in the "Net Income reconciliation to Adjusted EBITDA" section on our earnings release – US\$101 million in 4Q23, totaling US\$248 million in 2023.

Capital expenditures

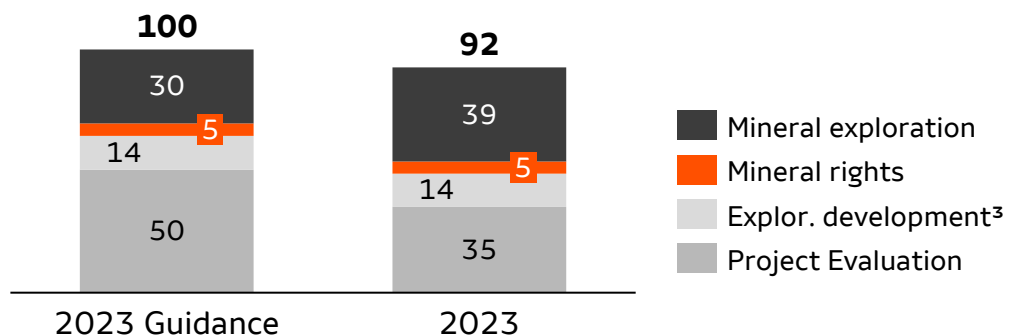
(US\$ million)



- **4Q23 investment: US\$111 million.**
- **2023: US\$309 million. Within guidance**
- Nearly all related to sustaining (which includes mine development)

Exploration and Project evaluation

(US\$ million)

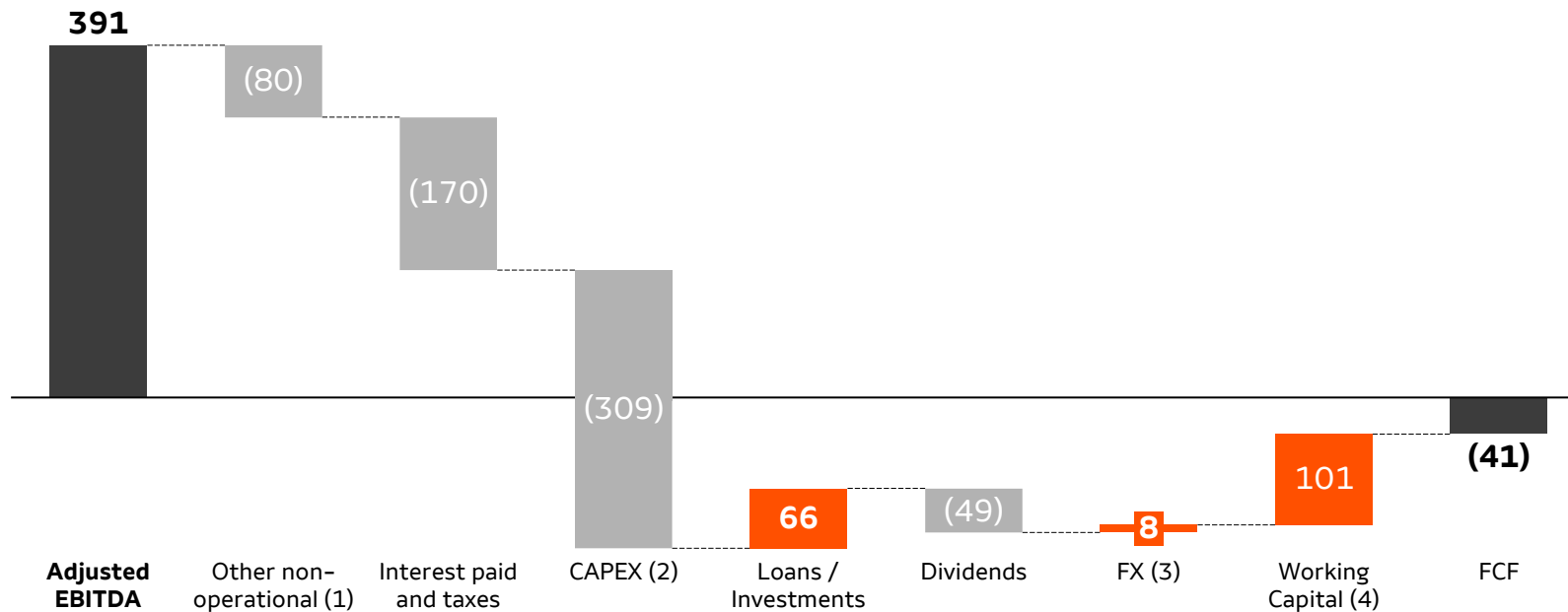


- **4Q23:** US\$24 million spent, totaling US\$92 million in 2023 (**below guidance**)
- We expect to continue advancing with our exploration activities, primarily focusing on identifying new ore bodies and upgrading resources classification through infill drilling campaigns.

(1) Investments in tailing disposal and primary mine development are included in sustaining expenses. (2) Modernization, IT and others; (3) Exploratory mine development refers to the "secondary" development to support exploration program,

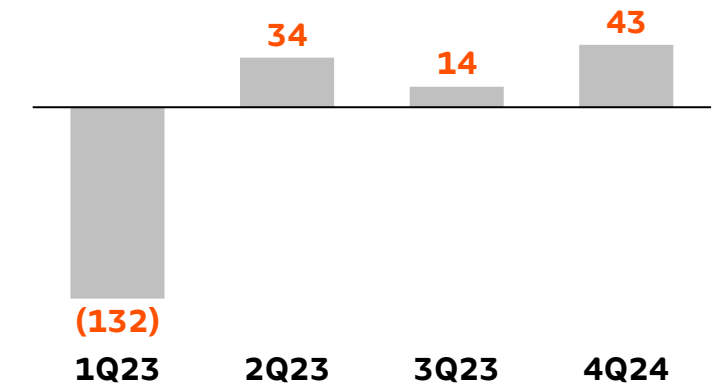
2023 FCF (full year)

(US\$ million)



2023 FCF (quarterly evolution)

(US\$ million)



Negative FCF in 2023: driven by lower zinc prices, 1Q23 working capital investment and Aripuanã ramp-up

Positive FCF in 2Q23, 3Q23 and 4Q23

(1) Adjustments to reconcile Adjusted EBITDA to cash provided by operations and CAPEX reconciliation to Financial Statements; (2) "CAPEX" includes Sustaining, HS&E, Tailing Dams, Expansion, Modernization, IT & Others; (3) Foreign exchange effects on cash and cash equivalents; (4) Breakdown available in Financial Statements explanatory note "Changes in operating assets and liabilities".

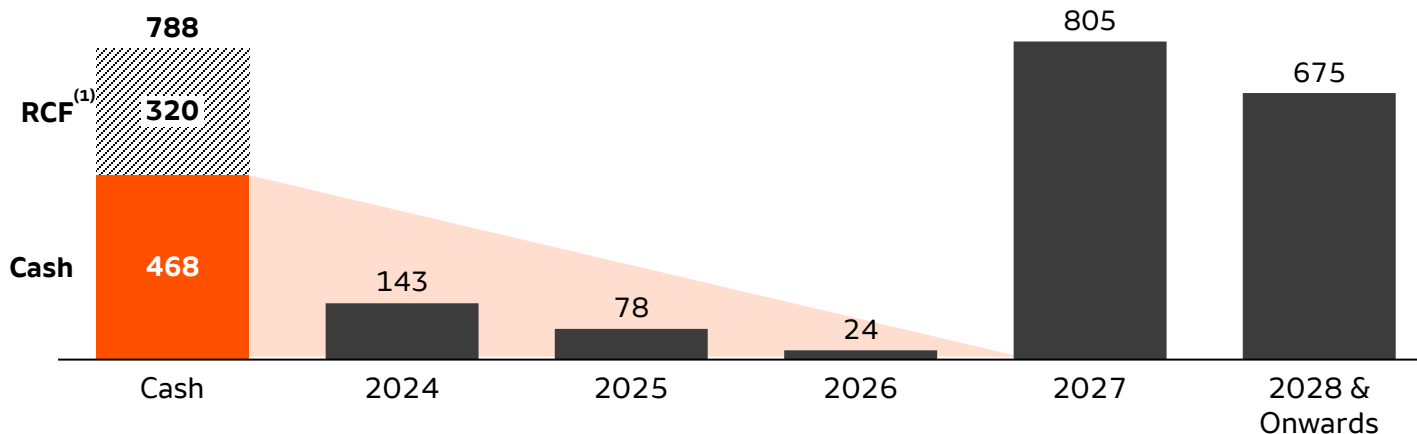
Liquidity and Indebtedness



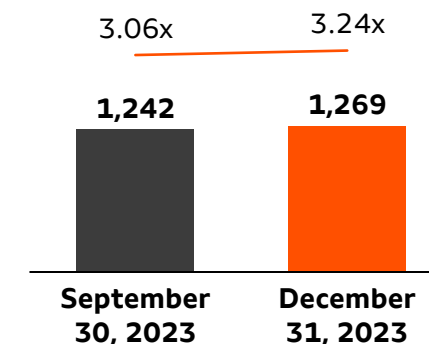
Debt profile (as of December 31, 2023)

Average debt maturity: 3.75 years @6.11% avg. cost

Debt amortization schedule - (US\$ million)



Net Debt⁽²⁾/LTM Adj. EBITDA



- **Sound balance sheet** with a long-term debt profile
- **Positive free cash flow in 4Q23 and slightly negative in 2023**
- Leverage at **3.2x** due to lower LTM Adj. EBITDA; +US\$50 million increase in gross debt: new export facility

Rating agencies

Rating

Outlook

Fitch

BBB-

Stable

S&P

BBB-

Stable

Moody's

Ba2

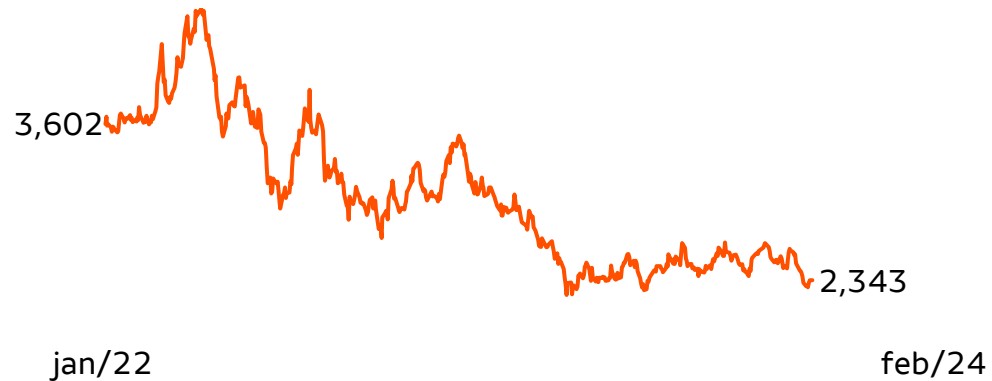
Negative

Note: In 4Q23 Nexa was in compliance with all of its financial covenants; (1) 5 yrs sustainability-linked US\$ 320M Revolving Credit Facility effective on Oct 20th, 2023.; (2) Gross debt (US\$1,726 million) minus cash and cash equivalents (US\$457 million), minus financial investments (US\$1.1 million), plus derivatives (US\$2.6 million), plus Lease Liabilities (US\$9 million).



Zinc LME price evolution¹

US\$/ton



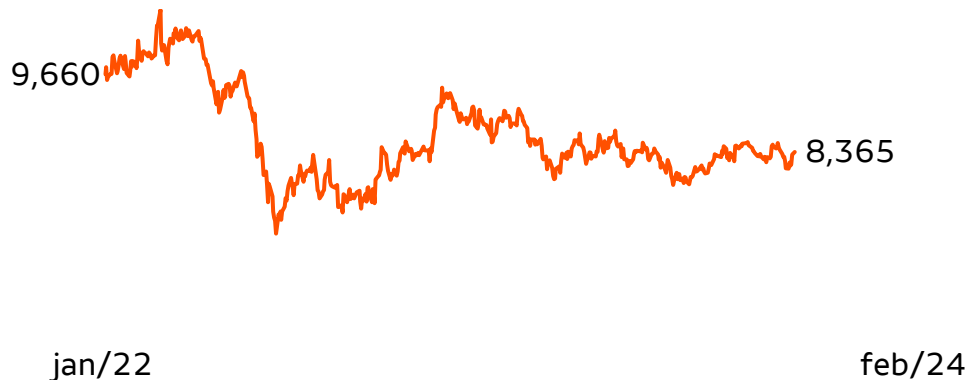
Zinc

- **Short-term:** we expected some support from the **easing of the US monetary policy and the Chinese stimulus**. As smelter margins may squeeze (due to lower TC and current prices), **we may see reduction in global metal production** in 2024
- **Mid-long term:** **outlook remains positive**, supported by **possible lack of feasible supply to fulfill forecasted demand**, which is expected to be driven by investments in infrastructure, construction, the auto sector (boosted by EV sales) and energy transition



Copper LME price evolution¹

US\$/ton



Copper

- **Short-term:** China's economy recovery and global tensions causing volatility are also weighing on Copper prices. **Any positive sign should put upward pressure on prices**. Supply may provide some positive price support
- **Mid-long term:** **demand scenario still optimistic**, as the metal plays an **important role in energy transition**. On the supply side, both greenfield and brownfield projects are expected to come online in 2024-2025 however, forecasted future demand would require more supply efforts

⁽¹⁾ Based on daily prices until February 19th, 2024, as reported by the London Metal Exchange.



Aripuanã: ramp-up completion. Focus on safety, stability and positive cash generation



Growth (Pasco integration): progressing towards the formal approval process



Exploration: focus on LOM extension (current mines) and long-term growth options



Keep ESG strategy active: important advancements in 2023. To constantly tracking progress toward achieving our public commitments



Strengthening the balance sheet: start deleveraging, having suitable options to be implemented on the right time. Keep strong liquidity and conservative leverage ratios



Maintain our financial and operational discipline, focusing on cash flow generation





thank you
thank you

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nexa