

Mining that changes with the world

nexa

1Q24 Results

May 3, 2024

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Disclaimer

Important information concerning this presentation



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These forward-looking statements related to future events or future performance and include current estimates, predictions, forecasts, beliefs and statements as to management's expectations with respect to, but not limited to, the business and operations of the Company and mining production our growth strategy, the impact of applicable laws and regulations, future zinc and other metal prices, smelting sales, CAPEX, expenses related to exploration and project evaluation, estimation of mineral reserves and mineral resources, mine life and our financial liquidity.

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.



n Consistent operating performance

- **Mining production:** higher zinc, copper and lead production y-o-y
- **Metal sales:** -3% y-o-y (lower production in Cajamarquilla → scheduled maintenance)
- **Smelting and mining cash costs:** below and close to lower range of guidance, respectively

n Financial Performance: still challenging price environment + Aripuanã ramp-up + working capital seasonality

- **Net revenues:** US\$580 million
- **Adjusted EBITDA:** US\$123 million (+17% q-o-q)

n Aripuanã ramp-up

- Critical equipment replaced as planned
- Utilization rate ~70% (April). Downtime hours reducing. Higher recoveries and concentrate quality further improved
- **Ramp-up expected to be concluded in mid-2024**

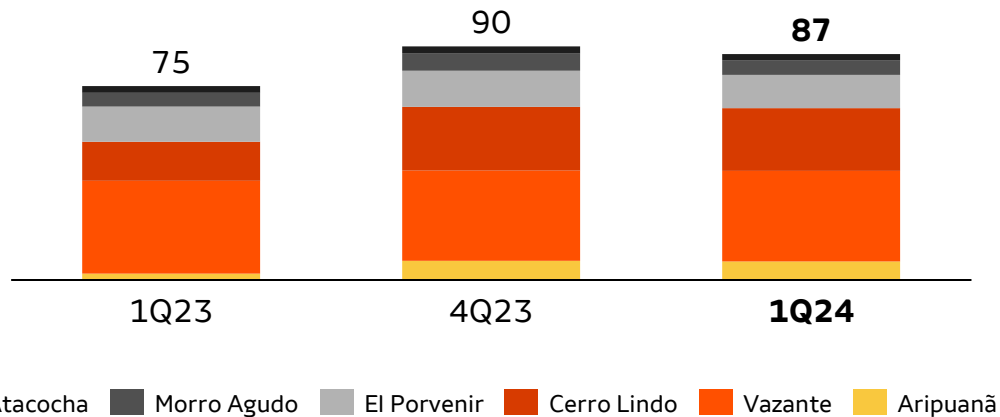
n Others

- **Cerro de Pasco integration:** Mineral Reserves increased in 2023 (supported by advancements on the technical studies)
- **Morro Agudo sale:** important step on portfolio optimization. Focus on cash generation and capital allocation
- **2023 MRMR:** +10% Reserves (vs 2022) net of depletion; +4% of Zinc content in inferred Resources mainly driven by Aripuanã

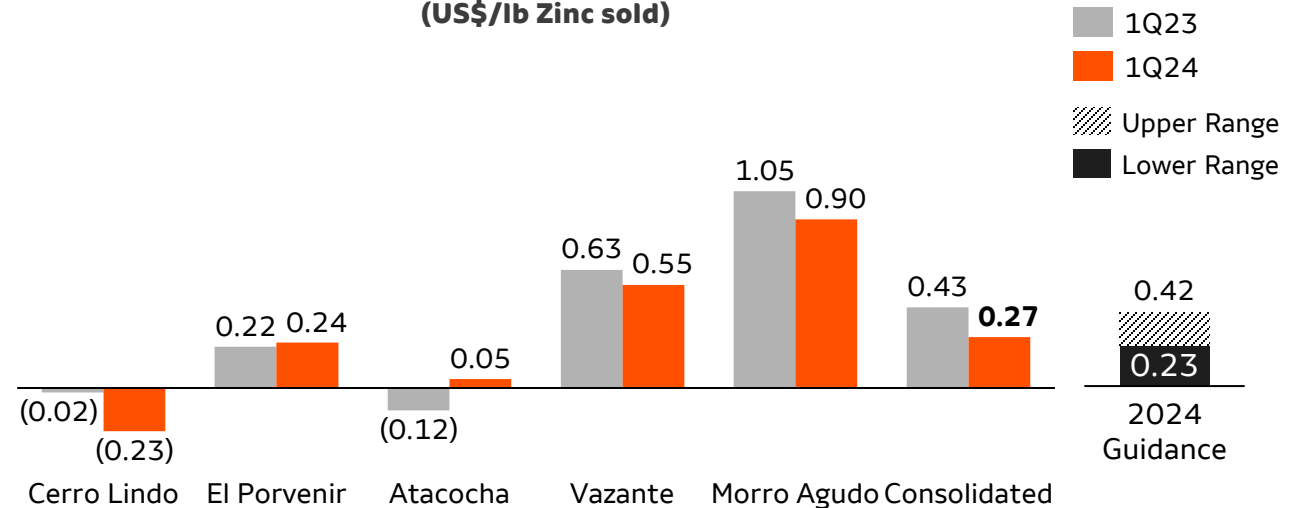
Operating Performance | Mining Segment



Zinc Production (000 ton)

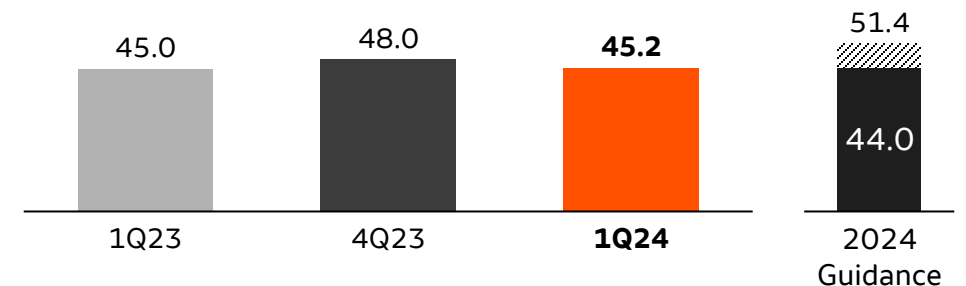


Cash cost by Mine¹ (US\$/lb Zinc sold)



- **1Q24 Zinc production: +17%** (vs. 1Q23). Driven by higher treated ore volumes, higher zinc head grades and the ramp-up of Aripuanã.
- **1Q24 Consolidated Cash cost: 37% lower** y-o-y mainly due to lower TCs and higher production volumes.
- **1Q24 Consolidated Cost ROM: -6%** q-o-q due to lower operating costs. Flat y-o-y.

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

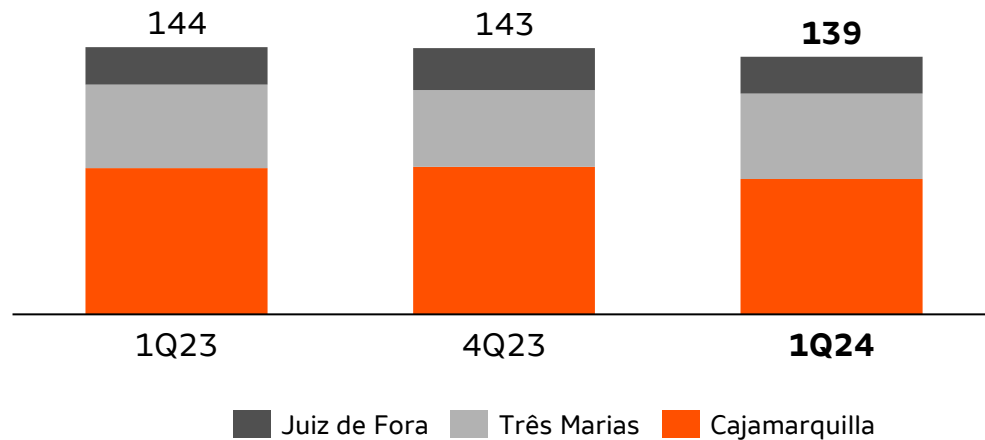


1. 1Q24 consolidated cash cost of the Mining Segment and cash cost guidance in US\$/lb do not consider Aripuanã's cash cost.

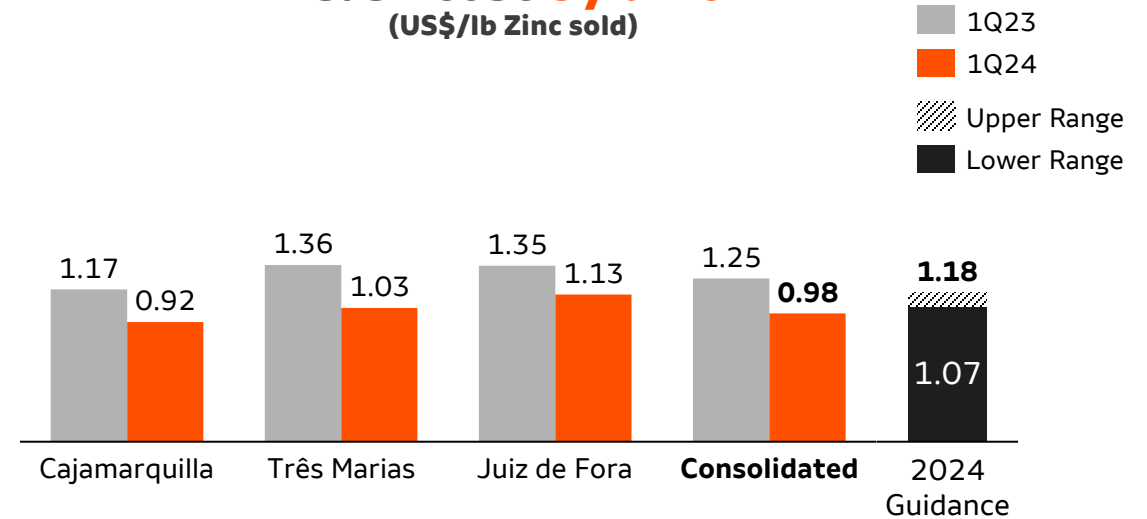
Operating Performance | Smelting Segment



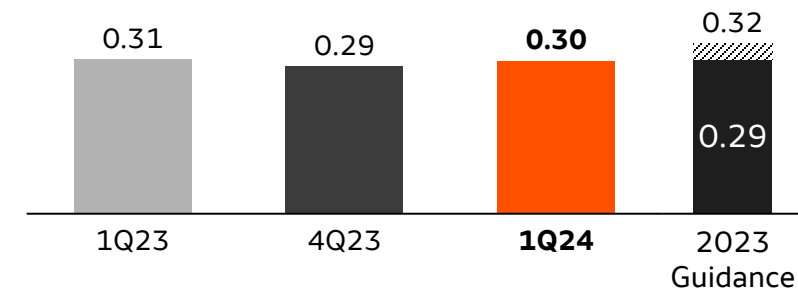
Total Metal Sales (000 ton)



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



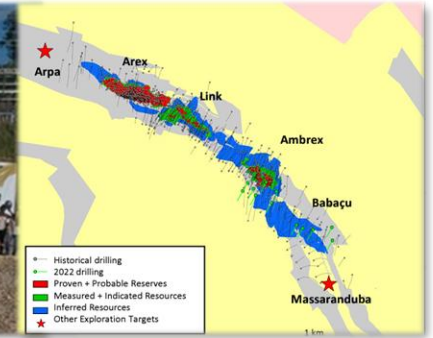
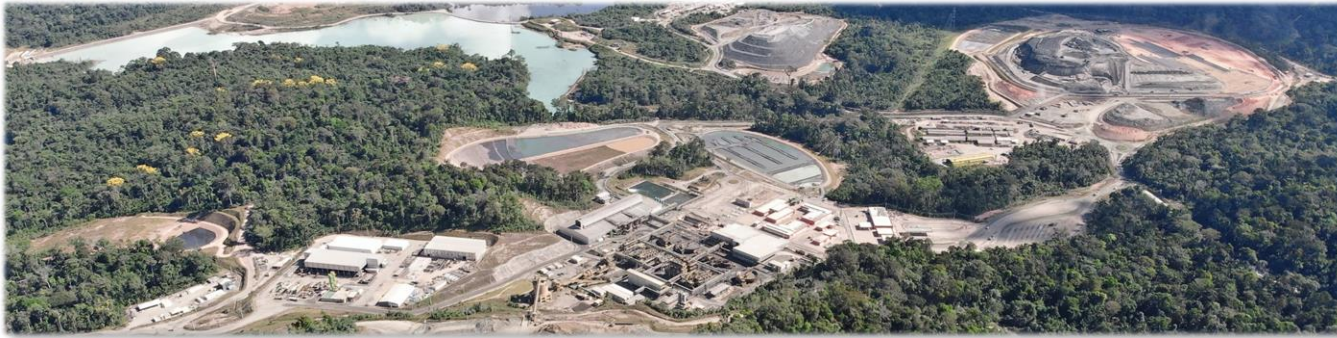
Consolidated Conversion Cost (US\$/lb)



- **1Q24 Metal sales: -4%** y-o-y following lower volumes driven by maintenance in the period.
- **1Q24 Consolidated Cash cost: 22% lower** y-o-y, due to lower raw material cost (lower Zn LME price).
- **1Q24 Consolidated Conversion cost: -1%** from 1Q23 driven by lower variable and energy costs.

Aripuanã | Update (1/3)

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



Ramp-up Status 1Q24

- ✓ Focus on **critical equipment replacement**
- ✓ **Metallurgical process improved**: higher recoveries and concentrate quality
- ✓ **Current challenge**: TSF filters → adjust filtering performance do support production increase

1Q24 Performance

- **Utilization rate averaged 57%** (~70% April). 3-days stoppage to address equipment replacement, peak of rain season and few working days in 1Q24. **On track to finalize ramp up by mid-2024.**
- **Increased production** in Copper, Lead and Silver. Zinc flat q-o-q
- Zn, Pb and Cu **recoveries and concentrates grades/quality improved significantly.** Keep focusing on plant stabilization

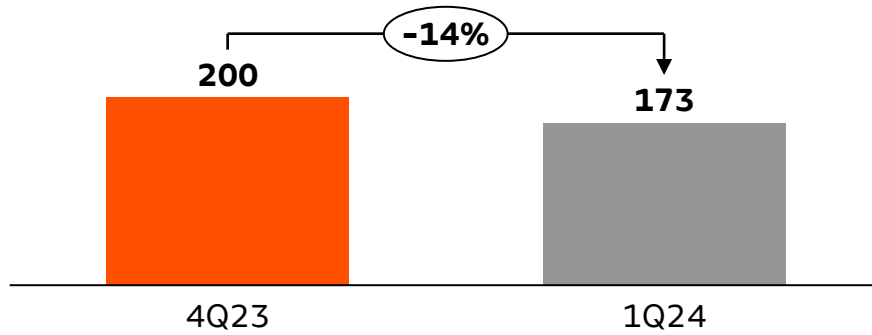
1Q24 Exploration

- Results from drill holes¹ in Babaçu: confirmed the **continuity of mineralization with high polymetallic contents** (e.g. **20.0m** with **12.24% Zn, 4.03% Pb, 109.36g/t Ag**)

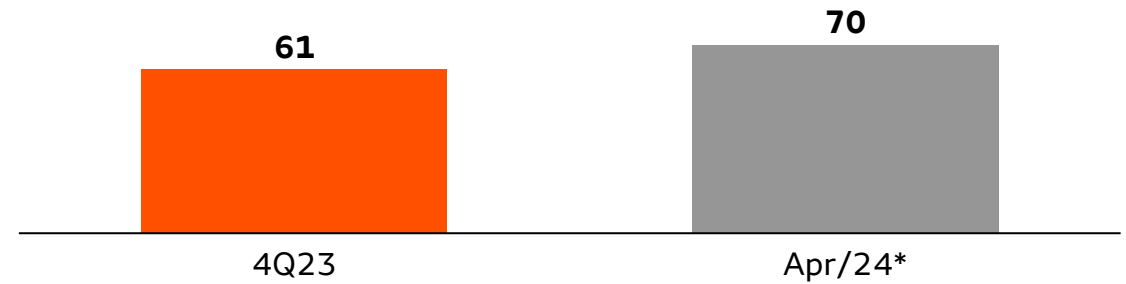
1. Drill holes BRAPD000202 as per First Quarter 1Q24 Exploration Results



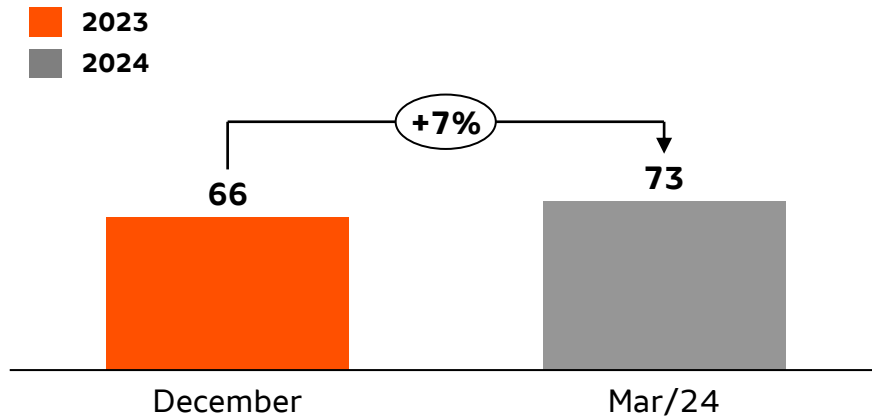
Plant downtime (avg. hours¹)



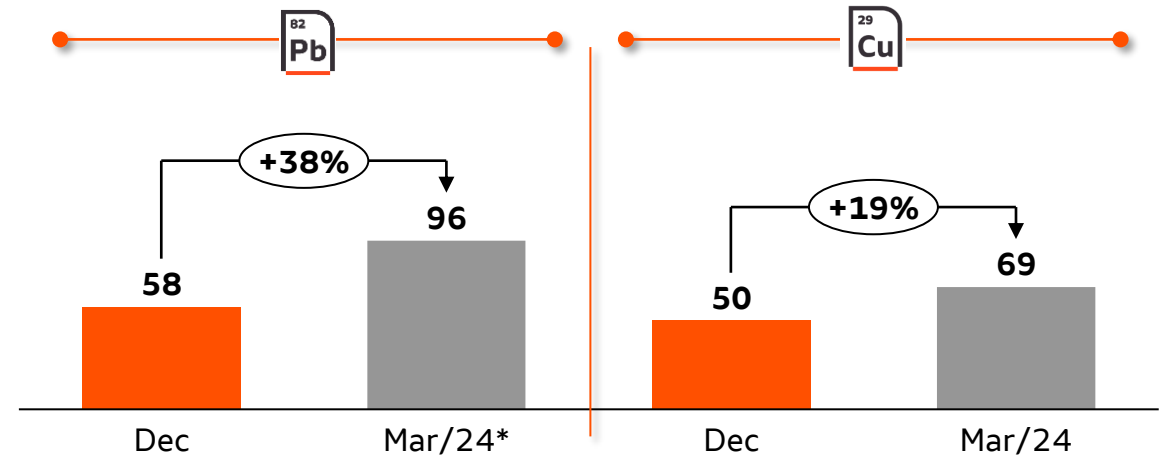
Plant capacity utilization (%)



Zn recovery (%)



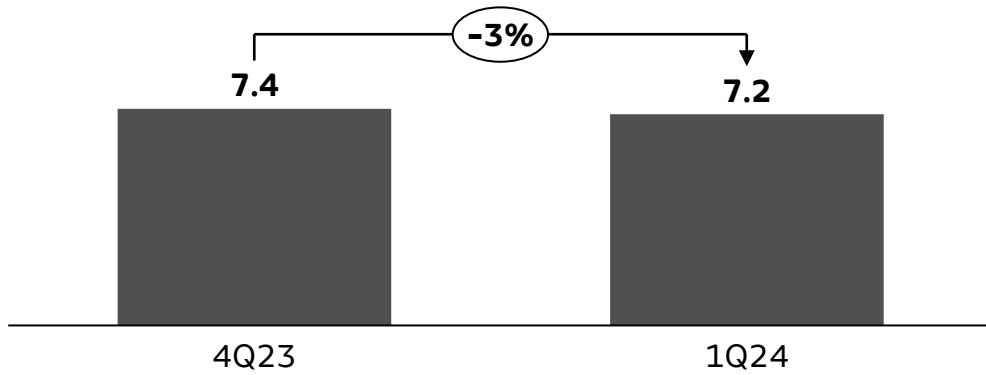
Pb & Cu recovery (%)



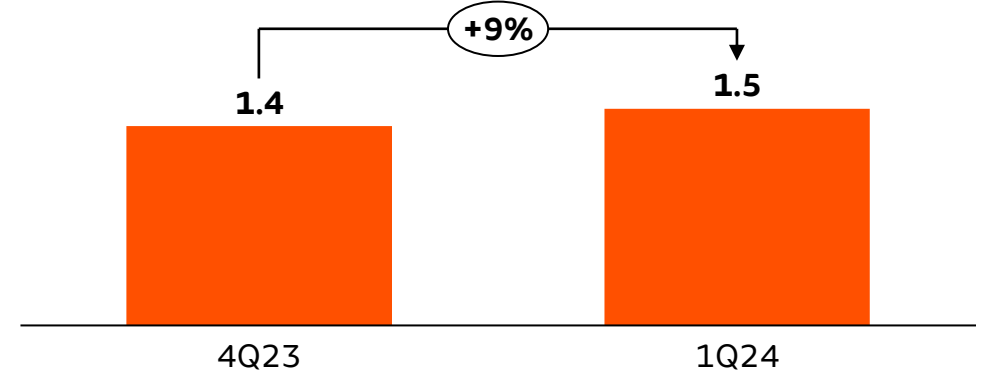
1. Monthly avg. hours. For the quarters, it considers the average of the referred quarter.
 * Avg. from Apr 12th-24th

1. Higher recovery of Pb due to cleaning of material in the filtration containment. 1Q24 avg: 83%.

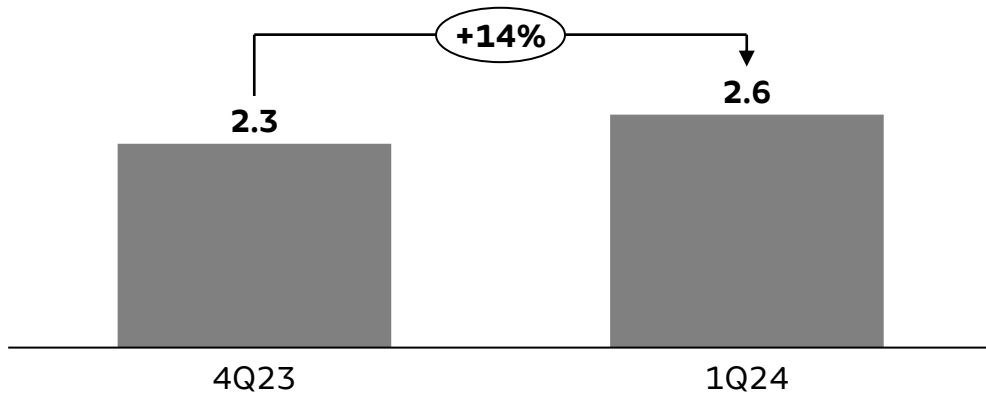
Zinc content production (kt)



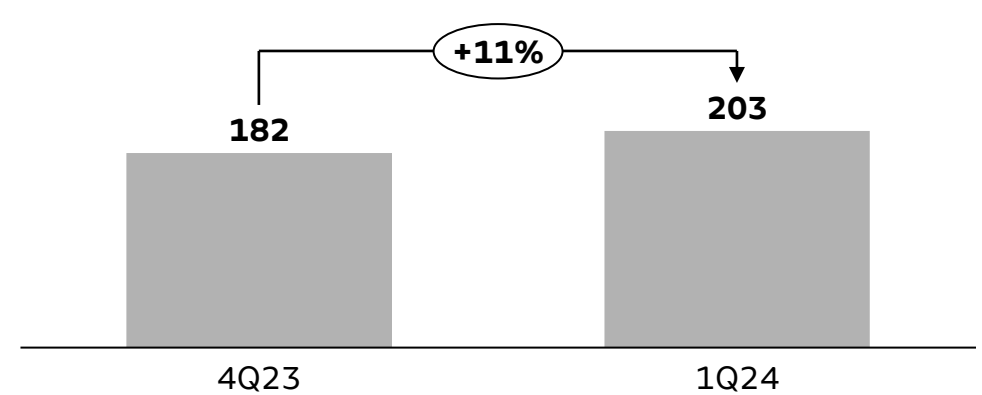
Copper content production (kt)



Lead content production (kt)



Silver content production (koz)



2023 Exploration program | Achievements

Increased Mineral Reserves base

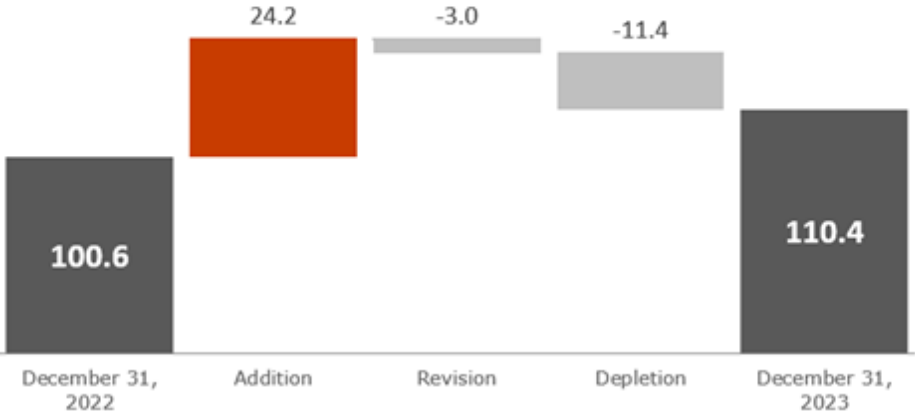


10% overall increase in Mineral Reserves (Mt) net of 2023 depletion. **14% increase in Zn Reserves**. Driven by:

- **Infill and brownfield positive results from drilling activities at Aripuanã;**
- **Re-inclusion of the Atacocha Mineral Reserves** (underground and open pit) driven by the positive results from the Cerro Pasco Integration Project.

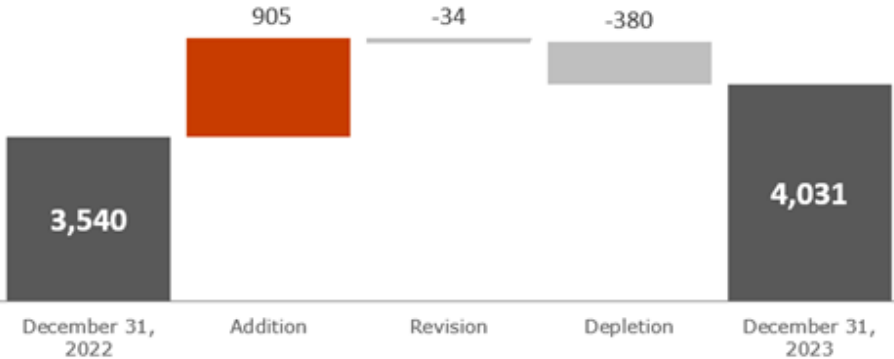
Mineral Reserves (Mt)¹

PROVEN AND PROBABLE RESERVES
In Millions Tonnes



Zinc Reserves (kt)¹

PROVEN AND PROBABLE ZINC RESERVES
In Zinc k tonnes



(1) Considering a 100% ownership basis.



1Q24 | Financial Results

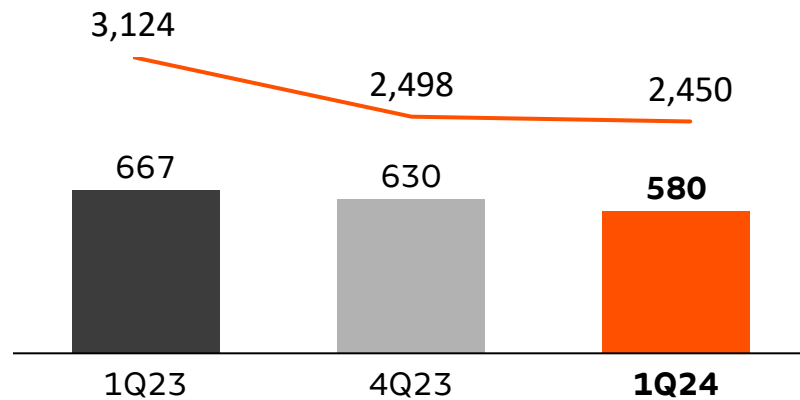
Consolidated Results



Net Revenues¹

(US\$ million)

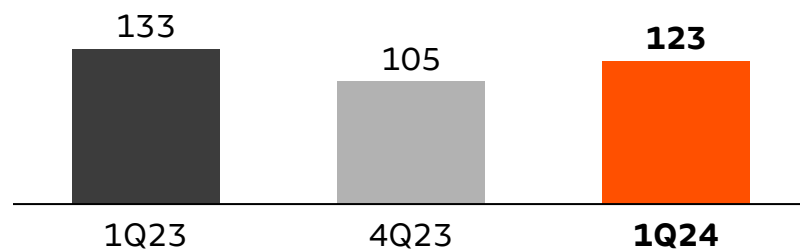
— LME Zinc (US\$/t)



- **1Q24 Net Revenues: -13% y-o-y** due to lower zinc prices, lower net premium and lower smelting sales volumes, partially offset by higher mining sales volumes.
- **1Q24 vs. 4Q23: -8%** due to slightly lower net premium and lower smelting sales volume.

Adjusted EBITDA²

(US\$ million)



- **1Q24 Adj. EBITDA: US\$123 million, -8% y-o-y** mainly due to lower zinc prices and lower smelting sales volumes.
- **1Q24 vs. 4Q23: +17%** due to lower costs, lower mineral exploration and project evaluation expenses.

EBITDA Margin

20%

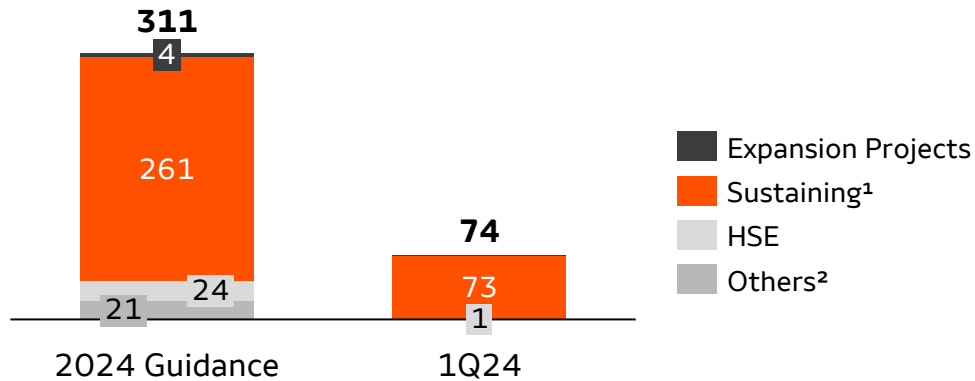
17%

21%

(1) Includes intersegment results; (2) Adjusted EBITDA excludes the items presented in the "Net Income (loss) reconciliation to Adjusted EBITDA" section on our earnings release – US\$1.7 million in 1Q24, US\$101 million in 4Q23 and US\$18 million in 1Q23

Capital expenditures

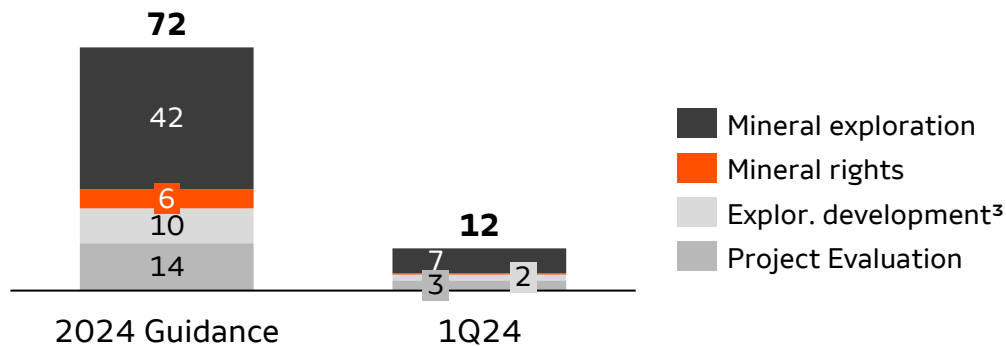
(US\$ million)



- **US\$74 million invested 1Q24:** mainly sustaining activities (including mining development and TSF).
- **2024 guidance of US\$311 million remains unchanged.**

Exploration and Project evaluation

(US\$ million)

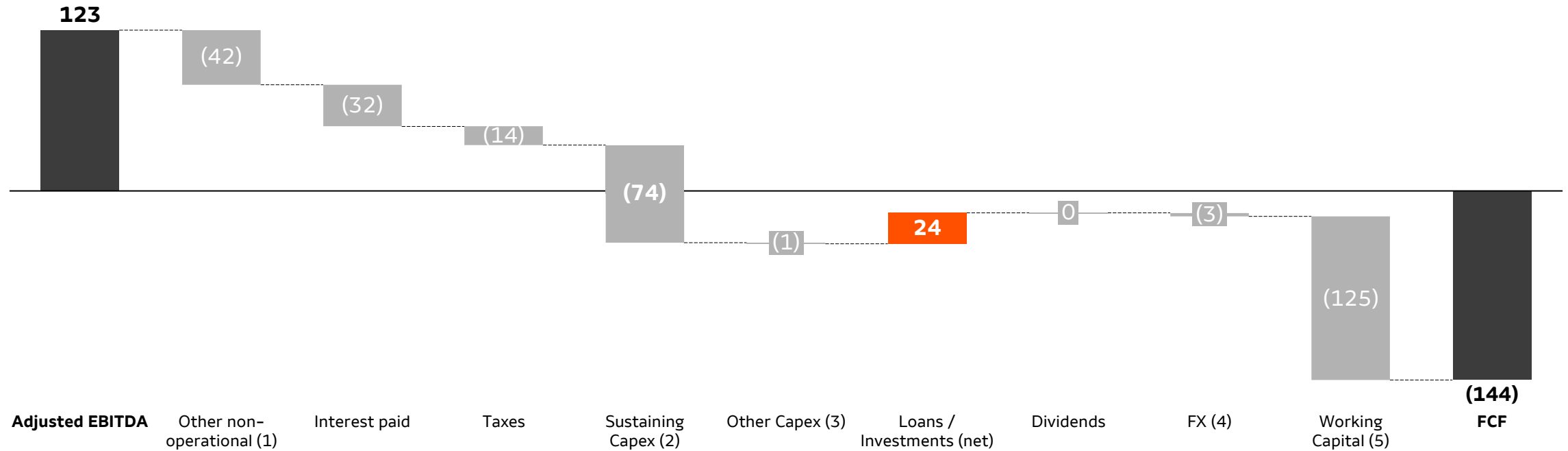


- **US\$12 million invested in 1Q24:** exploration and project evaluation.
- **2024 guidance of US\$72 million remains unchanged.**

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

1Q24 | Free Cash Flow

(US\$ million)



FCF in 1Q24: negatively impacted by expected seasonality in working capital behavior.

(1) Adjustments to reconcile Adjusted EBITDA to cash provided by operations; (2) "Sustaining CAPEX" includes Sustaining, HS&E and Tailing Dams; (3) "Other CAPEX" includes Expansion, Modernization, IT, Others and Reconciliation to Financial Statements (detailed breakdown available in our Earnings Release); (4) Foreign exchange effects on cash and cash equivalents; (5) Breakdown available in Financial Statements explanatory note "Changes in operating assets and liabilities".

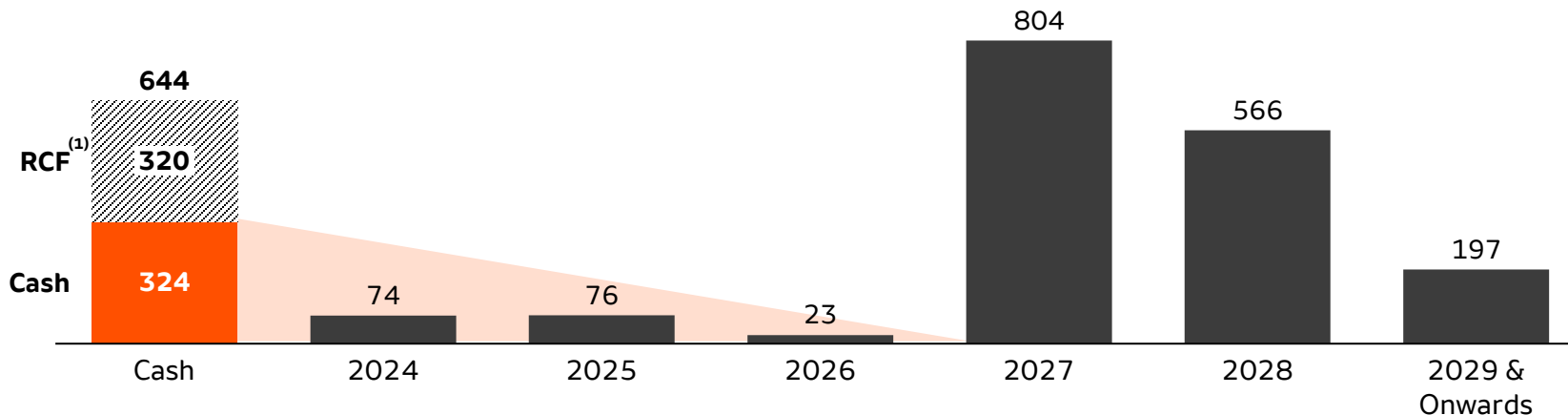
Liquidity and Indebtedness



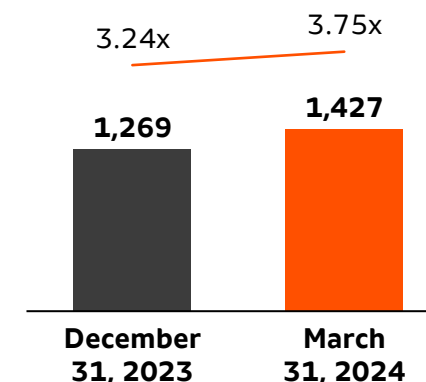
Debt profile (as of March 31, 2024)

Average debt maturity: 3.71 years @6.10% avg. cost

Debt amortization schedule - (US\$ million)



Net Debt⁽²⁾/LTM Adj. EBITDA



- **Strong liquidity**

- Leverage at **3.75x** due to lower LTM Adj. EBITDA

Liability Management (1Q24 and subsequent events): debt profile improvement

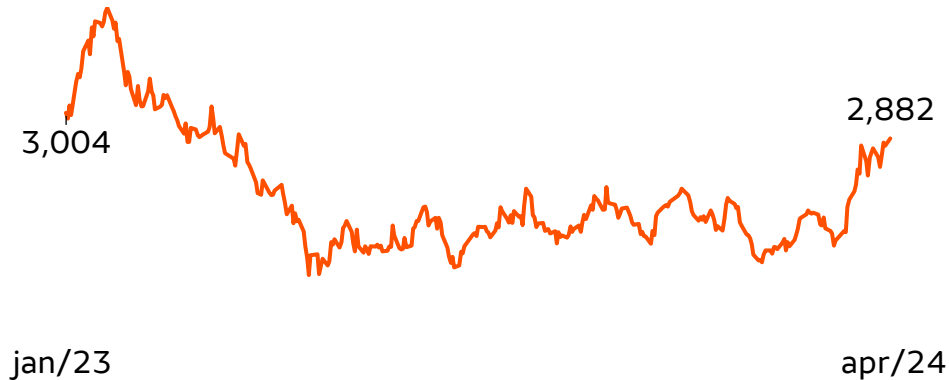
- **Mar:** US\$90 million export credit note rolled over. 5-years term maturing in 2029;
- **Apr:** US\$600 million 10-year bond issuance at 6.750% coupon. Tender offer for 69.2% and 19.9% of the of 27's and 28's notes respectively;
- **Apr:** R\$650 million (~US\$130 million) 6-year ESG-linked debenture issuance in Brazil.

Rating agencies	Rating	Outlook
Fitch	BBB-	Stable
S&P	BBB-	Stable
Moody's	Ba2	Negative

Note: In 1Q24 Nexa was in compliance with all of its financial covenants; (1) 5 yrs sustainability-linked US\$320 million Revolving Credit Facility effective on Oct 20th, 2023.; (2) Gross debt (US\$1,740 million) minus cash and cash equivalents (US\$313 million), minus financial investments (US\$11 million), plus derivatives (US\$0.2million), plus Lease Liabilities (US\$11 million).



Zinc LME price evolution¹ US\$/ton

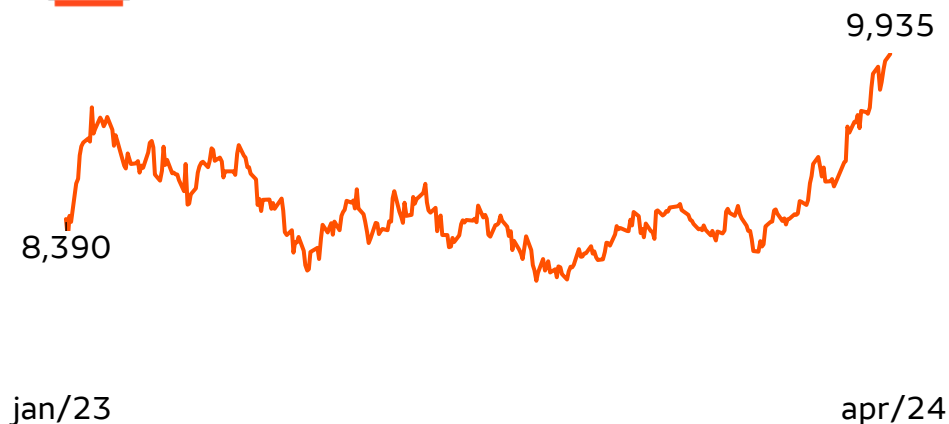


Zinc

- **Short-term:** support from the **Chinese economy stimulus and tight concentrate market** (lowering TCs and squeezing smelters margin).
- **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. **Any positive sign should put upward pressure on prices.**
- **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 April 29th, 2024, as reported by the London Metal Exchange.



Aripuanã: focus on ramp-up completion. Keen eye on safety, plant stability and positive cash generation.



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



Exploration: keep focusing on LOM extension (positive results already seeing in 1Q24) and long-term growth options.



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



Strengthening balance sheet: **liability management and deleveraging.** Keep strong liquidity, improve debt profile and seek more conservative leverage ratios.



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





thank you
thank you

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nexa