

Nexa Resources S.A.
Société anonyme

Annual accounts
As of December 31, 2022

37A, Avenue J.F. Kennedy
L-1855 Luxembourg
R.C.S. Luxembourg: B 185.489

TABLE OF CONTENTS

	Pages
Report of the "réviseur d'entreprises agréé"	1 - 3
Management Report	4 - 7
Balance sheet as of December 31, 2022	8 - 12
Profit and loss account for the year ended December 31, 2022	13 - 14
Notes to the annual accounts as of December 31, 2022	15 - 37



Audit report

To the Shareholders of
Nexa Resources S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Nexa Resources S.A. (the “Company”) as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

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

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate to 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.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 February 2023

Fabrice Goffin

MANAGEMENT REPORT FOR THE 2022 FINANCIAL YEAR



NOTE 1 – GENERAL

Nexa Resources S.A. - hereafter the "Company" - was incorporated on February 26, 2014 as a "Société anonyme" within the definition of the Luxembourg Law of August 10, 1915, as amended, on commercial companies for an unlimited period of time.

The Company's registered office is established in Luxembourg.

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

NOTE 2 – FINANCIAL PERFORMANCE

- a. For the year ended December 31, 2022, the Company's net loss amounted to USD 46,659,890 compared to a net gain of USD 5,754,771 in the previous year.
- b. The Company's total assets at December 31, 2022 are USD 2,998,107,442 versus USD 3,050,062,829 as at December 31, 2021.
- c. On December 31, 2022, Nexa's cash at bank and in hand was USD 99,405,646 compared to USD 138,322,554 as at December 31, 2021.
- d. The Company's shareholders' equity was USD 1,196,697,381 as at December 31, 2022 compared to USD 1,292,573,450 as at December 31, 2021. Refer to note 9 of the Annual Accounts for details on the changes in the 2022 fiscal year.
- f. The Company's revenue increased by USD 294,341,749 (29.8%) mainly due to the maintained elevated LME zinc prices.

Profit and Loss	2022	2021
Net revenue from products sold	1,283,268,949	988,954,200
Variation in stocks	3,925,769	14,337,283
Cost of products sold	(1,259,102,999)	(977,621,233)
Gross Profit	28,091,719	25,670,250
Gross Profit Margin (%)	2.19%	2.60%
Other Operating Income (Loss)	5,351,111	7,014,370
Operating Expenses	(26,150,067)	(39,858,633)
Operating Income / (Loss)	7,292,763	(7,174,012)
Operating Margin (%)	0.57%	-0.73%
Net Financial Results and Income/Impairment from Investments	(48,082,042)	25,407,674
Profit / (Loss) before Taxation	(40,789,279)	18,233,662
Taxes	(5,870,611)	(12,478,891)
Net Profit / (Loss) for the Period	(46,659,890)	5,754,771
Sales volume (metallic zinc, concentrates and by-products) - in metric tons	510,442	450,600

MANAGEMENT REPORT FOR THE 2022 FINANCIAL YEAR**NOTE 3 – IMPORTANT EVENTS OF THE YEAR****Interim Dividend Distribution by the Company to its Shareholders**

On February 15, 2022, the Company's Board of Directors approved, subject to ratification by the Company's shareholders at the 2023 annual shareholders' meeting in accordance with Luxembourg laws, a cash distribution to the Company's shareholders of USD 50,000,000. From this amount, USD 43,873,617 were distributed as dividends (cash dividend) and USD 6,126,329, as reimbursement of share premium (special cash dividend). This cash distribution was paid on March 25, 2022.

Acquisition of shares

In 2021, the Company acquired 8.97% of the issued and outstanding common shares of Tinka Resources Limited ("Tinka"), an exploration and development company which holds 100% of the Ayawilca zinc-silver project in Peru. On May 31, 2022, the Company subscribed to an additional 40,792,541 common shares in a private transaction at a price of CAD 0.22 per share (approximately USD 0.17) for a total consideration of CAD 8,974,359 thousand (USD 7,000,000). After this subscription, the Company holds 18.23% of the issued and outstanding common shares of Tinka. Similar to the original acquisitions made in 2021, this transaction has been accounted for as an investment held as fixed assets at its purchase price and all are being subsequently assessed for a durable impairment. Refer to note 5 of the Annual Accounts.

NOTE 4 – EXPECTED EVOLUTION OF COMPANY'S BUSINESS

Investors' perception remains positive for base metals in 2023, as global economies are expected to continue to grow. Regarding zinc fundamentals, high energy prices in China and Europe, as well as the control of carbon emissions in China, should be the main points of attention for supply in 2023. Higher energy prices have started to impact metal production as some smelters are being idled, which should tighten the metal market. The zinc demand outlook in Latin America remains robust.

For upcoming years, Nexa's strategy will focus in maintaining a geographic hedge across all major markets, whilst economically optimizing its allocations to the immediate benefit on the Brazilian and Latin America markets, improving our subsidiaries results in these economic regions. Nexa continues to leverage its global position and international trading footprint in export markets, whilst maintaining dominance of the home markets. Refer to note 12 of the Annual Accounts for sales turnover per geographic market.

MANAGEMENT REPORT FOR THE 2022 FINANCIAL YEAR**NOTE 5 – BOARD OF DIRECTORS**

On June 09, 2022, in the Annual General Meeting of the Shareholders of the Company, 9 members of the Board of Directors were re-elected.

NOTE 6 – RISKS FACTORS

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

a. Market Risk

Regarding market risk, the Company is highly dependent on the international market price of the metals produced, which are both cyclical and volatile. Historically, prices of metals have been subject to wide fluctuations and are affected by numerous factors, beyond the Company's control, including international economic and political conditions, the cyclical nature of consumption, actual or perceived changes in levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by users, actions of participants in the commodities markets and currency exchange rates. Nevertheless, in order to mitigate the potential adverse effects of each financial risk factor, the Company adopted a Financial Risk Management Policy (Group wide policy), that establishes governance and guidelines for the financial risk management process, as well as metrics for measurement and monitoring. For the commodity price risk, the Company's Financial Risk Management Policy establishes guidelines to mitigate the risk of fluctuations in commodity prices that could impact the cash flows of the Company. The exposure to the price of each commodity considers the monthly projections of purchases and sales of finished goods and the maturity flows of hedges associated with them.

Refer to note 14 of the Annual Accounts for details on the commodity hedge strategies, i.e., hedges for sales of zinc at a fixed price (Customer Hedge), hedges for mismatches of quotation periods (Hedge Book), and hedges for the operating margin of metals (Strategic Hedges).

b. Credit Risk

Trade receivables, derivative financial instruments, term deposits, bank deposit certificates ("CDBs") and repurchase transactions backed by debentures and government securities create exposure to credit risk with respect to the counterparties and issuers. The Company 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.

c. Liquidity risk

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

NOTE 7 – FINANCIAL ASSETS

The Company holds investments in the following companies:

MANAGEMENT REPORT FOR THE 2022 FINANCIAL YEAR



- Nexa Resources Cajamarquilla S.A. ("Nexa CJM"), Peru, participation of 99.92%.
- Nexa Recursos Minerais S.A. ("Nexa BR"), Brazil, participation of 100%.
- Nexa Resources US, Inc. ("NUS"), United States, participation of 100%.
- Exploraciones Chimborazo Metals & Mining, Ecuador, participation of 100%.
- Nexa Resources Peru S.A.A., securities of 0.17%, held as a fixed asset.
- Tinka Resources Limited, securities of 18.23%, held as a fixed asset.

Refer to note 5 of the Annual Accounts for more details on the investments.

NOTE 8 – RESEARCH AND DEVELOPMENT (R&D)

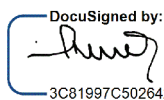
Research and Development activities are not directly managed by Nexa Resources S.A. All R&D activities are carried out by Nexa's entities in Peru and Brazil.

NOTE 9 – BRANCHES

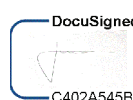
As at December 31, 2022, the Company does not have any branch in its organization.

NOTE 10 – POST BALANCE SHEET EVENTS

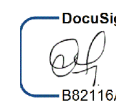
On February 15, 2023, the Company's Board of Directors approved, subject to ratification by the Company's shareholders at the 2024 annual shareholders' meeting in accordance with Luxembourg laws, a cash distribution to the Company's shareholders of approximately USD 25,000,000 to be paid on March 24, 2023 as share premium (special cash dividend).

DocuSigned by:

3C81997C5026425...

Ignacio Rosado
Chief Executive Officer

DocuSigned by:

C402A545B23E4AF...

Jose Carlos Del Valle
Chief Financial Officer

DocuSigned by:

B82116AB243C457...

Claudia Torres
Controller

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B185489

Matricule : 2014 2205 190

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2022 **to** ⁰² 31/12/2022 (in ⁰³ USD)

Nexa Resources S.A.

37A, Avenue J.F. Kennedy
 L-1855 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 <u>Note 3</u>	107 _____	108 <u>3.594.871,59</u>
C. Fixed assets			
I. Intangible assets	1109 _____	109 <u>2.400.751.955,35</u>	110 <u>2.461.983.825,18</u>
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 <u>Note 4</u>	125 <u>281.440,94</u>	126 <u>373.044,87</u>
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

RCSL Nr. : B185489

Matricule : 2014 2205 190

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 281.440,94	132 373.044,87
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135 Note 5	135 2.400.470.514,41	136 2.461.610.780,31
1. Shares in affiliated undertakings	1137	137 2.346.265.517,53	138 2.360.393.152,81
2. Loans to affiliated undertakings	1139	139 46.237.182,50	140 96.641.815,86
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145 7.967.814,38	146 4.575.811,64
6. Other loans	1147	147	148
D. Current assets	1151	151 587.220.276,28	152 571.965.971,25
I. Stocks	1153 Note 6	153 35.403.024,37	154 32.486.760,15
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159 35.403.024,37	160 32.486.760,15
4. Payments on account	1161	161	162
II. Debtors	1163 Note 7	163 452.411.606,08	164 401.156.656,81
1. Trade debtors	1165	165 88.865.135,31	166 81.764.060,19
a) becoming due and payable within one year	1167	167 88.865.135,31	168 81.764.060,19
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 362.186.277,32	172 316.263.755,31
a) becoming due and payable within one year	1173	173 362.186.277,32	174 316.263.755,31
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 1.360.193,45	184 3.128.841,31
a) becoming due and payable within one year	1185	185 1.360.193,45	186 3.128.841,31
b) becoming due and payable after more than one year	1187	187	188

Matricule : 2014 2205 190

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B185489

Matricule : 2014 2205 190

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>Note 9</u>	301 <u>1.196.607.381,41</u>	302 <u>1.292.573.450,43</u>
I. Subscribed capital	1303 _____	303 <u>132.438.611,02</u>	304 <u>132.438.611,02</u>
II. Share premium account	1305 _____	305 <u>1.096.802.841,98</u>	306 <u>1.102.929.171,06</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>13.332.051,30</u>	310 <u>13.332.051,30</u>
1. Legal reserve	1311 _____	311 <u>13.332.051,30</u>	312 <u>13.332.051,30</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>44.567.383,22</u>	320 <u>73.118.795,34</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-46.659.889,92</u>	322 <u>5.754.770,75</u>
VII. Interim dividends	1323 _____	323 <u>-43.873.616,19</u>	324 <u>-34.999.949,04</u>
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 <u>Note 10</u>	331 <u>5.383.191,99</u>	332 <u>15.153.676,13</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 <u>5.383.191,99</u>	338 <u>15.153.676,13</u>
C. Creditors	1435 <u>Note 11</u>	435 <u>1.750.016.555,89</u>	436 <u>1.742.335.702,14</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 <u>1.220.747.404,20</u>	356 <u>1.220.624.431,24</u>
a) becoming due and payable within one year	1357 _____	357 <u>20.747.404,20</u>	358 <u>20.624.431,24</u>
b) becoming due and payable after more than one year	1359 _____	359 <u>1.200.000.000,00</u>	360 <u>1.200.000.000,00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B185489

Matricule : 2014 2205 190

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>6.641.043,55</u>	368 <u>11.045.549,69</u>
a) becoming due and payable within one year	1369 _____	369 <u>6.641.043,55</u>	370 <u>11.005.246,35</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 <u>40.303,34</u>
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>522.167.054,25</u>	380 <u>510.000.015,96</u>
a) becoming due and payable within one year	1381 _____	381 <u>429.574.648,24</u>	382 <u>371.405.712,95</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>92.592.406,01</u>	384 <u>138.594.303,01</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>461.053,89</u>	452 <u>665.705,25</u>
a) Tax authorities	1393 _____	393 _____	394 <u>186.628,59</u>
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>461.053,89</u>	398 <u>479.076,66</u>
i) becoming due and payable within one year	1399 _____	399 <u>461.053,89</u>	400 <u>479.076,66</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 <u>Note 12</u>	403 <u>46.100.313,00</u>	404 _____

TOTAL (CAPITAL, RESERVES AND LIABILITIES)405 2.998.107.442,29406 3.050.062.828,70

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B185489

Matricule : 2014 2205 190

eCDF entry date :

PROFIT AND LOSS ACCOUNT
Financial year from ⁰¹ 01/01/2022 **to** ⁰² 31/12/2022 (in ⁰³ USD)

Nexa Resources S.A.

37A, Avenue J.F. Kennedy
 L-1855 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 <u>Note 13</u>	701 <u>1.283.268.948,78</u>	702 <u>988.954.199,67</u>
2. Variation in stocks of finished goods and in work in progress	1703 <u>Note 6</u>	703 <u>3.925.769,20</u>	704 <u>14.337.283,05</u>
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 <u>Note 14</u>	713 <u>5.351.110,79</u>	714 <u>7.014.370,45</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-1.278.616.343,85</u>	672 <u>-999.287.376,24</u>
a) Raw materials and consumables	1601 _____	601 <u>-1.259.102.998,83</u>	602 <u>-977.621.232,56</u>
b) Other external expenses	1603 <u>Note 15,16</u>	603 <u>-19.513.345,02</u>	604 <u>-21.666.143,68</u>
6. Staff costs	1605 _____	605 <u>-3.330.695,06</u>	606 <u>-3.552.444,01</u>
a) Wages and salaries	1607 _____	607 <u>-1.940.000,87</u>	608 <u>-2.230.063,75</u>
b) Social security costs	1609 _____	609 <u>-260.735,42</u>	610 <u>-228.195,54</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-260.735,42</u>	656 <u>-228.195,54</u>
c) Other staff costs	1613 _____	613 <u>-1.129.958,77</u>	614 <u>-1.094.184,72</u>
7. Value adjustments	1657 _____	657 <u>-5.839.090,71</u>	658 <u>-7.043.289,86</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 <u>Note 3,8</u>	659 <u>-5.654.644,66</u>	660 <u>-6.922.853,64</u>
b) in respect of current assets	1661 _____	661 <u>-184.446,05</u>	662 <u>-120.436,22</u>
8. Other operating expenses	1621 <u>Note 18</u>	621 <u>-3.306.026,66</u>	622 <u>-14.640.044,95</u>

RCSL Nr. : B185489

Matricule : 2014 2205 190

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 <u>Note 5</u>	715 <u>1.061.938,31</u>	716 <u>6.552.405,18</u>
a) derived from affiliated undertakings	1717 _____	717 _____	718 <u>6.552.405,18</u>
b) other income from participating interests	1719 _____	719 <u>1.061.938,31</u>	720 _____
10. Income from other investments and loans forming part of the fixed assets	1721 _____	721 <u>4.220.246,89</u>	722 <u>5.738.133,63</u>
a) derived from affiliated undertakings	1723 <u>Note 5,7</u>	723 <u>4.220.246,89</u>	724 <u>5.738.133,63</u>
b) other income not included under a)	1725 _____	725 _____	726 _____
11. Other interest receivable and similar income	1727 <u>Note 7</u>	727 <u>11.059.319,62</u>	728 <u>9.052.712,61</u>
a) derived from affiliated undertakings	1729 _____	729 <u>9.652.415,61</u>	730 <u>8.718.753,62</u>
b) other interest and similar income	1731 _____	731 <u>1.406.904,01</u>	732 <u>333.958,99</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 <u>Note 5</u>	665 <u>40.993.314,20</u>	666 <u>101.730.722,98</u>
14. Interest payable and similar expenses	1627 <u>Note 11</u>	627 <u>-99.577.770,40</u>	628 <u>-90.623.010,50</u>
a) concerning affiliated undertakings	1629 _____	629 <u>-24.837.105,01</u>	630 <u>-16.918.218,06</u>
b) other interest and similar expenses	1631 _____	631 <u>-74.740.665,39</u>	632 <u>-73.704.792,44</u>
15. Tax on profit or loss	1635 _____	635 _____	636 _____
16. Profit or loss after taxation	1667 _____	667 <u>-40.789.278,89</u>	668 <u>18.233.662,01</u>
17. Other taxes not shown under items 1 to 16	1637 <u>Note 20</u>	637 <u>-5.870.611,03</u>	638 <u>-12.478.891,26</u>
18. Profit or loss for the financial year	1669 _____	669 <u>-46.659.889,92</u>	670 <u>5.754.770,75</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 1 – GENERAL

Nexa Resources S.A. - hereafter the "Company" - was incorporated on February 26, 2014 as a "Société anonyme" within the definition of the Luxembourg Law of August 10, 1915, as amended, on commercial companies for an unlimited period of time.

Since October 27, 2017 the Company is listed and has its common shares traded on the New York Stock Exchange (NYSE) under the ticker symbol "NEXA".

The Company's registered office is established in Luxembourg.

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

The Company's purpose is:

- 1) To take participations and interests, in any form whatsoever, in any commercial, industrial, financial or other, Luxembourg or foreign companies or enterprises;
- 2) To acquire through participations, contributions, underwriting, purchases or options, negotiation or in any other way any securities, rights, patents and licenses and other property, rights and interest in property as the Company shall deem fit;
- 3) Generally to hold, manage, develop, sell or dispose of the same, in whole or in part, for such consideration as the Company may think fit, and in particular for shares or securities of any company purchasing the same;
- 4) To enter into, assist or participate in financial, commercial and other transactions;
- 5) To grant to any holding company, subsidiary, or fellow subsidiary, or any other company which belong to the same group of companies than the Company (the "Affiliates") any assistance, loans, advances or guarantees (in the latter case, even in favor of a third-party lender of the Affiliates);
- 6) To borrow and raise money in any manner and to secure the repayment of any money borrowed;
- 7) To carry out any trade, business, or commercial activities whatsoever, including but not limited to the purchase, exchange, and sale of goods and/or services to third parties; and



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 1 – GENERAL

8) Generally, to do all such other things as may appear to the Company to be incidental or conducive to the attainment of the above objects or any of them.

The Company can perform all commercial, technical, and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purpose, provided always that the Company will not enter into any transaction which would constitute a regulated activity of the financial sector without due authorization under Luxembourg Law.

The Company is required to establish consolidated accounts as it is a parent company according to Article 1711-1 of the Luxembourg Law of August 10, 1915, as amended, on commercial companies. Those consolidated financial statements have been prepared separately and are subject to filing and publication as prescribed by the Luxembourg law.

Main transactions for the year:

1. On February 15, 2022, the Company's Board of Directors approved, subject to ratification by the Company's shareholders at the 2023 annual shareholders' meeting in accordance with Luxembourg laws, a cash distribution to the Company's shareholders of dividends of USD 43,873,617 and share premium USD 6,126,329 which was paid on March 25, 2022. Refer to note 9.
2. On June 08, 2022, the Board of Directors approved a capital reduction in its subsidiary Nexa Cajamarquilla amounting to USD 105,563,299. Refer to note 5.
3. In May, 2022 the Company acquired 40,792,541 shares in Tinka Resources Limited ("Tinka"), for an amount of CAD 8,974,359 (USD 7,000,000) representing 10,42% of Tinka's total outstanding common shares. Refer to note 5.
4. On June 06, a subsidiary had an increase capital of USD 46,100,313 which reflected an increase of Investments for the Company. Refer to note 5 and 13.
5. On January 25, 2022, the Company signed an offtake agreement with an international offtaker (the "Offtaker") a subsidiary of a BBB rated company, in which it agreed to sell 100% of the copper concentrate to be produced by Aripuanã for a 5-year period starting in February 2023 up to a total of 30,810 tons, at the lower of current spot market prices or a price cap.
 The offtake agreement resulted from negotiations with the Offtaker to sell the copper concentrate in lieu of paying future royalties related to the previous acquisition of the Aripuana project mining rights from the Offtaker. Refer to note 13.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

These annual accounts have been prepared in accordance with Luxembourg generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates and assumptions. It also requires judgement in the process of applying the accounting policies. Changes in estimates and assumptions may have a significant impact on the annual accounts in the period in which such estimates and assumptions changed.

The Board of Directors believes that the underlying estimates and assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the financial year. Estimates and assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main accounting policies applied by the Company are the following:

Translation of currencies

The Company maintains its accounting records in US dollars (USD) and the annual accounts are prepared in this currency.

The transactions made in a currency other than USD are translated into USD at the exchange rate prevailing at the transaction date.

As of year-end:

- formation expenses and financial assets expressed in a currency other than USD have been translated at the historical exchange rate;



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- cash at bank and in hand are valued at the exchange rate applicable at the balance sheet date, considering exchange rate differences as realized;

- all other assets and liabilities expressed in a currency other than USD are translated individually at the exchange rate prevailing at the balance sheet date.

Income and expenses expressed in currencies other than USD are converted at the exchange rate applicable at the date of the transactions.

All realized and unrealized foreign exchange losses, and realized gains, are taken into account in the profit and loss account. Where there is a direct link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account whereas the net unrealized exchange gains are not recorded.

Formation expenses

The formation expenses are amortized on a straight-line basis over a period of 5 years.

Tangible assets

Tangible assets are recorded at their acquisition price, which includes the ancillary expenses, or at production cost. The tangible assets are amortized on a straight-line basis over their estimated useful life.

Where the Board of Directors considers that a tangible asset has suffered a durable depreciation in value, an additional value adjustment is recorded to reflect this loss.

The value adjustment may not be continued if the reasons for which it was made have ceased to apply.

Financial assets

Shares in affiliated undertakings and investments held as fixed assets are valued at purchase price including the expenses incidental thereto. The Board of Directors relies on the financial statements of the underlying companies and/or other information and documents available for its valuation.

In the case of durable depreciation in value according to the Board of Directors' opinion, value adjustments are made in respect of the financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Loans granted to affiliated undertakings are stated at their nominal value.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A value adjustment is recorded at the end of each year in case the recoverable value is estimated to be lower than the nominal value and in case the diminution in value which is considered by the Board of Directors to be of durable nature.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Stocks

Stocks of goods for resale are valued at the lower of purchase price calculated on the basis of weighted average prices method and fair market value.

A value adjustment is recorded at the end of each year in case the purchase price is estimated to be higher than the fair market value.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are stated at their nominal value.

A value adjustment is recorded when the estimated realizable value is lower than the nominal value.

The realizable value is estimated based on the information available to the Board of Directors.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The Company records initially derivative financial instruments at cost.

At each balance sheet date, derivatives financial instruments are fair valued based on valuation techniques that are based on market data, assumptions made by the Board of Directors, and market conditions existing at the balance date. Unrealized losses are recorded in the profit and loss account, whereas gains are accounted for when realized.

Prepayments

Prepayments such as cost of financing fees are capitalized and amortized on a straight-line basis over the duration of the loans.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Provisions

At the end of each period, provisions are recorded to cover all foreseeable liabilities and charges. Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Creditors

Debts are stated at their repayment value. Where the amount repayable on account is greater than the amount received, the difference is shown as prepayments and is written off over the period of the debt based on a linear method.

Deferred Income

This liability item includes income received during the financial year but related to a subsequent financial year.

Net turnover

The net turnover comprises the amounts derived from the sale of products falling within the Company's ordinary activities, after deductions of sales rebates and value added tax and other taxes directly linked to the turnover.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 3 – FORMATION EXPENSES

	2022	2021
	USD	USD
Formation expenses at the beginning of the year	21,580,337	21,580,337
Additions / Write-offs	-	-
Formation expenses at the end of the year	<u>21,580,337</u>	<u>21,580,337</u>
Amortization at the beginning of the year	(17,985,465)	(13,671,618)
Amortization during the year	(3,594,872)	(4,313,846)
Amortization at the end of the year	<u>(21,580,337)</u>	<u>(17,985,464)</u>
Net book value at the end of the year	<u>(0)</u>	<u>3,594,872</u>

The formation expenses at the beginning and at the end of the year are essentially based on the underwriting fees of USD 21,569,230 incurred in 2017 in relation with the initial public offering. The Company decided to capitalize and amortize them on a straight-line basis over a 5-year period. The capitalization and amortization ended on November 1, 2022.

NOTE 4 – TANGIBLE ASSETS

	2022	2021
	USD	USD
Cost at the beginning of the year	712,450	725,820
Additions	-	81,807
(Disposals)	(63,367)	(95,177)
Cost at the end of the year	<u>649,082</u>	<u>712,450</u>
Depreciation at the beginning of the year	(339,406)	(331,572)
Depreciation during the year	(37,022)	(99,766)
Disposals	8,785	91,932
Depreciation at the end of the year	<u>(367,642)</u>	<u>(339,406)</u>
Net book value at the end of the year	<u>281,441</u>	<u>373,044</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 5 – FINANCIAL ASSETS

	Shares in affiliated undertakings	Loans to affiliated undertakings	Investments held as fixed assets	Total
	USD	USD	USD	USD
Acquisition cost at the beginning of the year	2,881,053,048	96,641,815	7,218,626	2,984,913,489
Acquisitions / Subscription	46,534,353	-	7,000,000	53,534,353
Disposals / Reimbursements	(105,263,299)	(50,404,633)	-	(155,667,932)
Acquisition cost at the end of the year	2,822,324,101	46,237,182	14,218,626	2,882,779,910
Value adjustments at the beginning of the year	(520,659,896)	-	(2,642,814)	(523,302,709)
Increase / Reversals during the year	44,601,312	-	(3,607,998)	40,993,314
Value adjustments at the end of the year	(476,058,584)	-	-	(482,309,395)
Net book value as of December 31, 2022	<u>2,346,265,518</u>	<u>46,237,182</u>	<u>7,967,814</u>	<u>2,400,470,514</u>
Net book value as of December 31, 2021	<u>2,360,393,152</u>	<u>96,641,815</u>	<u>4,575,812</u>	<u>2,461,610,780</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

The Company holds investments in the following companies:

Na me	Register ed office	% held	Net book value as of December 31, 2022	Amount held in equity*	Of which net result*	Closing date
			USD	USD	USD	
Nexa Resources Cajamarquilla S.A. ("Nexa Cajamarquilla") Peru	Car. Central Km. 9.5 (Desvío a Huachipa)- Cajamarquilla , Luriganchu, Chosica, Peru	99,92%	1,224,834,548	1,392,292,072	296,675,090	31/12/2022
Nexa Recursos Minerais S.A. ("Nexa BR") Brazil	Av. Engenheiro Luís Carlos Berrini, 105, 6th floor, 04571-010, São Paulo, Brazil	100%	1,116,047,995	1,116,047,995	(19,594,837)	31/12/2022
Nexa Resources US, Inc. ("NUS") United States of America	2100 West Loop South, Suite, 900, 77027, Houston, Texas, United States of America	100%	4,980,000	10,247,957	1,166,938	31/12/2022
Exploraciones Chimborazo Metals & Mining Ecuador	Distrito Metropolitan o de Quito, Provincia de Pichincha, Republic of Ecuador	100%	402,975	402,975	(31,707)	31/12/2022

*The above financial information of affiliated undertakings is proportionate to the ownership % of the Company and they are extracted from the audited accounts, except for NUS and Exploraciones Chimborazo that are not subject to statutory audit.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 5 – FINANCIAL ASSETS

Shares in affiliated undertakings

In 2022 the Company recognized a dividend receivable from Nexa Peru amounting to USD 1,061,938 (2021: Nil). Refer to note 7.

The accumulated value adjustments relate to the impairment in the value of the investment in Nexa BR, and is primarily due to the depreciation of the Brazilian Real (currency of Nexa BR) against the US Dollar in the past years. During year 2022, due to an improvement in the operational circumstances and projections, the Company recognized a reversal of amounting to USD 44,633,097 (2021: reversal of USD 49,274,944).

On June 08, 2022, the Board of Directors approved a capital reduction in the investment on Nexa Cajamarquilla amounting to USD 105,263,299.

During 2022, a impairment recorded for its subsidiary Exploraciones Chimborazo amounting to USD 31,785 (2021: Nil).

The Board of Directors is of the opinion that no additional value adjustment/reversal of value adjustment is required on the investments held.

Investments held as fixed assets

As of December 31, 2022 the Company holds securities in Nexa Resources Peru S.A.A. ("Nexa Peru"), an indirect subsidiary of the Company, for an amount of USD 852,483 representing 0.17% of interest in Nexa Peru.

As of December 31, 2022 the Company holds 71,343,053 shares acquired during March and April, 2021 and May 2022 in Tinka, for an amount of CAD 16,917,492 (USD 13,366,143) representing 18.23% of Tinka's total outstanding common shares.

During 2022, a value adjustment amounting to USD 3,607,997 (2021 : USD 2,570,942) related to the investment in Tinka was recognized, primarily due to the negative market value variation of the owned shares. No further value adjustment/reversal is required to the investment held in Tinka.

The Board of Directors is of the opinion that no additional value adjustment/reversal of value adjustment is required on the investments held.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 5 – FINANCIAL ASSETS

Loans to affiliated undertakings

Export Pre-Payment Receivables and Other Accounts Receivables:

The Company has various export pre-payment intercompany receivables against Nexa BR, that bear interest at variable rates (LIBOR 6M plus 2.00% to LIBOR 1M plus 3.35%) and have maturity dates in 2024 and 2026.

As of December 31, 2022, the balance of the receivables is USD 46,237,183 (2021: USD 96,641,816) and the interest accrued on the export pre-payment intercompany receivables amount to USD 29,407 (2021: USD 388,227). Refer to note 7. The total interest income of the year for such receivables amounts to USD 4,220,247 (2021: USD 5,738,381). Refer to note 20. The Board of Directors is of the opinion that no value adjustment is required on the loans to affiliated undertakings.

NOTE 6 – STOCKS

	2022	2021
	USD	USD
Goods for resale	35,403,024	32,486,760
Net book value at the end of the year	<u>35,403,024</u>	<u>32,486,760</u>

NOTE 7 – DEBTORS

	2022	2021
	USD	USD
Trade debtors	88,865,135	81,764,060
Amounts owed by affiliated undertakings	362,186,277	316,263,755
Other debtors	1,360,193	3,128,841
Net book value at the end of the year	<u>452,411,606</u>	<u>401,156,657</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 7 – DEBTORS

Trade debtors

As of December 31, 2022, the Company has outstanding invoices for an amount of USD 88,865,135 owed by third party clients.

Forfaiting

The Company entered into non-recourse factoring with certain banks in relation to part of the trade debtors' balance. As of December 31, 2022, the amount transferred to the banks and not yet paid by the third-party clients amounts to USD 23,648,013 (2021: USD 10,652,651). These have been derecognized from the balance sheet of the Company, in line with the terms and conditions of the agreements in place that transfer the risks and rewards (associated with the receivables) to the banks.

Amounts owed by affiliated undertakings

Trade debtors owed by affiliated undertakings

As of December 31, 2022, the Company has outstanding invoices for an amount of USD 347,016,841 (2021: USD 304,791,909) owed by related parties, plus an interest receivable of USD 7,612,116 (2021: USD 4,531,214) from Nexa BR related to interest on trade receivables of zinc concentrates due to the payment term of 360 days. The intercompany interest income of the year related to the payment term on the trade receivables of zinc concentrates is USD 9,652,416 (2021: USD 8,718,753). Refer to note 20.

As of December 31, 2022, interest accrued on the export pre-payment intercompany receivables amount to USD 29,407 (2021: USD 388,227). Refer to note 5.

The Board of Directors is of the opinion that the above-mentioned receivables are fully recoverable at closing date.

Other receivables owed by affiliated undertakings

As of December 31, 2022, the Company has a dividend receivable from Nexa BR amounting to USD 6,552,405 (2021: USD 6,552,405). Refer to note 5.

As of December 31, 2022, the Company has a dividend receivable from Nexa Peru amounting to USD 1,004,915 (2021: Nil). Refer to note 5.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 8 – PREPAYMENTS

	Loan issue costs
	USD
Opening Balance	12,518,161
Addition	-
Amortization	(2,382,950)
Write-offs	-
Closing Balance	<u>10,135,211</u>
Net book value as of December 31, 2022	<u>10,135,211</u>
Net book value as of December 31, 2021	<u>12,518,161</u>

As of December 31, 2022, the balance of prepayments is composed of the cost of financing fees for the bonds issued in 2017 and 2020, and cost of financing fees of transferred loans. The Board of Directors decided to capitalize the cost of financing fees and to amortize them on a straight-line basis over the duration of the Bonds and of the bank debt.

NOTE 9 - CAPITAL AND RESERVES

	Subscribed Capital	Share Premium	Legal Reserve	Profit or Loss Brought Forward	Profit or Loss for Financial Year	Interim Dividends	Total
	USD	USD	USD	USD	USD	USD	USD
Balance as of December 31.12.2021	132,438,611	1,102,929,171	13,332,051	73,118,795	5,754,771	(34,999,949)	1,292,573,450
Dividend distribution		(6.126.329)				(43,873,617)	(49,999,945)
Allocation Prior Year Results				(28,551,412)	(5,754,771)	34,999,949	693,776
Profit or Loss financial Year					(46,659,890)		(46,659,890)
Balance as of December 31.12.2022	<u>132,438,611</u>	<u>1,096,802,842</u>	<u>13,332,051</u>	<u>44,567,384</u>	<u>(46,659,890)</u>	<u>(43,873,617)</u>	<u>1,196,607,381</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 9 - CAPITAL AND RESERVES

Subscribed capital

As of December 31, 2022, the subscribed and fully paid up capital amounted to USD 132,438,611 (2021: USD 132,438,611) and is represented by 132,438,611 shares of a nominal value of USD 1.00 each.

Share premium account

As of December 31, 2022, the share premium account is USD 1,096,802,842 (2021: USD 1,102,929,171).

Authorized Capital

The authorized capital is set at USD 231,924,918 represented by 231,924,918 shares with par value of USD 1.00 each.

Legal reserve

In accordance with the Luxembourg Law of August 10, 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the Shareholders.

Allocation of prior year results

In June 2022, the Shareholders decided to approve the accounts as of December 31, 2021, the advance dividends distributed in March 2021 of USD 34,999,949 which has been made in respect of financial year 2021, and to carryforward the total gains year ended December 31, 2021, in the amount of USD 5,754,771.

Interim Dividend Distribution

In March 2022, the Company paid USD 49,999,945 of interim dividends to its shareholders, as approved by the Board of Directors in February 2022. This distribution will be approved by the shareholders in the 2023 Shareholders' Meeting.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 10 – PROVISIONS

	2022	2021
	USD	USD
Other provisions - Derivatives	5,383,192	15,153,676
	<u>5,383,192</u>	<u>15,153,676</u>

As of December 31, 2022, the Company registered a USD 5,383,192 (2021: USD 15,153,676) provision related to unrealized losses on derivative financial instruments for hedge purposes. Refer to note 13 for further details about the hedge categories.

NOTE 11 – CREDITORS

	Less than 1 year	More than 1 year and within 5 years	More than 5 years	Total
	USD	USD	USD	USD
Amounts owed to credit institutions	20,747,404	-	1,200,000,000	1,220,747,404
Trade creditors	6,641,044	-	-	6,641,044
Amounts owed to affiliated undertakings	429,574,648	92,592,406	-	522,167,054
Tax and social security debts	-	-	-	-
Other creditors	461,054	-	-	461,054
Balance as of December 31, 2022	<u>457,424,150</u>	<u>92,592,406</u>	<u>1,200,000,000</u>	<u>1,750,016,556</u>
Balance as of December 31, 2021	<u>403,701,096</u>	<u>138,634,606</u>	<u>1,200,000,000</u>	<u>1,742,335,702</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 11 – CREDITORS

Amounts owed to credit institutions correspond to:

Bonds

In 2017, the Company issued an aggregate principal amount of USD 700,000,000 in unsecured bonds set to mature in 2027 at an interest rate of 5.375% per year, and such securities are guaranteed by Nexa BR, Nexa Peru and Nexa CJM. As of December 31, 2022, the outstanding bonds and the related accrued interest amount to USD 700,000,000 and USD 5,957,292 respectively. The interest charge of the year amounts to USD 37,625,000.

In June, 2020, the Company issued an aggregate principal amount of USD 500,000,000 in unsecured bonds set to mature in 2028 at an interest rate of 6.5% per year, and such securities are guaranteed by Nexa BR, Nexa Peru and Nexa CJM. As of December 31, 2022, the outstanding bonds and the related accrued interest amount to USD 500,000,000 and USD 14,715,277 respectively. The interest charge of the year amounts to USD 32,500,000.

Trade Creditors

As of December 31, 2022, the Company has a payable of USD 6,641,044 (2021: USD 11,045,549) to trade creditors, mainly related to suppliers such as logistics, utilities, and insurance.

Amounts owed to affiliated undertakings correspond to:

NOTE 11 – CREDITORS

As of December 31, 2022, the amount due to Votorantim Andina S.A. ("VASA") was USD 138,594,303 related to the purchase of shares of CJM in June 2014. During 2022 the Company settled part of this intercompany payable with payments of USD 46,001,897. As of December 31, 2022, the outstanding balance amounts to USD 92,592,406 (2021: USD 138,594,303). An amount of USD 87,107,882,32 was transferred to Nexa Brasil. The intercompany payable with VASA has annual interest of 4.90% per year since January 2022.

As of December 31, 2022, the Company has an outstanding balance of USD 1,046,667 (2021: USD 1,046,667) to related parties Nexa CJM and Nexa Peru corresponding to guarantee fees on the bonds. The intercompany guarantee charge of the year is USD 11,800,000 (2021: USD 11,800,000). Refer to note 20.

As of December 31, 2022, the Company received invoices for a total amount of USD 425,069,040 (2021: USD 367,100,018) from related parties that remain unpaid at closing date.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

As of December 31, 2022, the Company has a payable of USD 3,458,941 (2021: USD 3,259,027) to Nexa CJM and Nexa Peru related to interest on the payment terms of the zinc concentrates purchases, whose payment term is 360 days. The interest charge of the year for is USD 13,037,105, being USD 6,811,910 related to Nexa Peru and CJM, and USD 6,225,194 regarding VASA (2021: USD 5,118,217). Refer to note 20.

NOTE 12 – DEFERRED INCOME

	2022	2021
	USD	USD
Offtake agreement	46,100,313	-
	<u>46,100,313</u>	<u>-</u>

Offtake agreement

On January 25, 2022, the Company signed an offtake agreement with an international offtaker (the “Offtaker”) a subsidiary of a BBB rated company, in which it agreed to sell 100% of the copper concentrate to be produced by Aripuanã for a 5-year period starting in February 2023 up to a total of 30,810 tons, at the lower of current spot market prices or a price cap.

The offtake agreement resulted from negotiations with the Offtaker to sell the copper concentrate in lieu of paying future royalties related to the previous acquisition of the Aripuana project mining rights from the Offtaker.

This commitment to deliver copper concentrate relating to an obligation of one of its subsidiaries resulted in an increase in investment by Nexa in its subsidiary with no cash outflow by USD 46,100,313 (Refer to Note 5), bringing a gain for having assumed such liability of one of its subsidiaries which was recorded as a Deferred revenue and will be amortized during the period of the agreement according to each volume delivery.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 13 - NET TURNOVER

The turnover of the Company can be broken down as follows:

	2022	2021
	USD	USD
Categories of activity		
Merchandise	1,283,268,949	988,954,200
	<u>1,283,268,949</u>	<u>988,954,200</u>
Geographic Markets		
Brazil	318,205,484	218,386,953
United States	164,455,720	128,039,047
Singapore	160,364,015	37,194,073
Switzerland	98,664,818	61,370,835
Luxembourg	89,754,182	91,472,973
South Africa	80,799,987	42,523,969
Japan	71,299,508	58,164,207
Taiwan	69,075,560	57,639,396
Turkey	54,954,785	34,493,153
Austria	48,675,864	45,056,700
Malaysia	26,031,432	25,680,791
South Korea	13,262,015	83,407,130
Netherlands	12,542,496	16,381,282
Italy	9,586,207	14,833,973
Belgium	7,862,006	514,987
China	7,825,035	4,912,962
France	7,280,428	8,544,780
Romania	7,110,455	11,760,287
Bangladesh	6,047,832	19,684,675
Peru	5,373,754	2,414,096
Vietnam	4,357,288	10,668,640
Germany	3,764,131	2,192,401
United Kindgdom	3,435,618	1,060,963
Indonesia	3,153,483	11,773,304
Others	9,386,846	782,625
Grand Total	<u>1,283,268,949</u>	<u>988,954,200</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 14 - OTHER OPERATING INCOME

	2022	2021
	USD	USD
Hedge Operational Results	5,349,215	7,014,370
Other	1,896	-
	<u>5,351,111</u>	<u>7,014,370</u>

Hedge Operational results

The Company enters into derivative financial instruments to protect its operational transactions and during year 2022 the realized gain amounted to USD 5,349,215 (2022: USD 7,014,370). As of December 31, 2022, the total amount of unrealized gains related to derivative financial instruments is USD 2,188,018 (2021: USD 3,986,453). These will be accounted for when realized, in line with the Company's accounting policy. For Hedge Operational Losses, refer to note 18.

Commodity prices hedge transactions are classified into the following hedging strategies:

1) Hedges for sales of zinc at a fixed price (Customer Hedge)

The objective is to convert fixed prices sales to floating prices, observed on the London Metal Exchange (LME). The purpose of the strategy is to maintain the revenues of a business unit linked to the LME prices. These transactions usually relate to purchases of zinc for future settlement on the over-the-counter market.

2) Hedges for mismatches of quotational periods (Hedge Book)

The objective is to hedge quotational periods mismatches arising between the purchases of metal concentrate or processed metal and the sale of the processed metal. These transactions usually relate to purchases and sales of zinc and silver for future trading on the over-the-counter market.

NOTE 15 - OTHER EXTERNAL EXPENSES

Professional fees include legal, audit and corporate assistance costs. Transportation costs include mainly ocean freight related to the trading of metals and concentrates.



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

	2022	2021
	USD	USD
Professional Fees	3,371,621	5,696,560
Transportation Costs	11,371,574	11,541,431
Marketing and Communication	845,194	478,660
Rents and leasing	320,603	315,783
Insurance	2,722,495	2,832,088
Other external expenses	881,859	801,622
	<u>19,513,345</u>	<u>21,666,144</u>

NOTE 16 - REMUNERATION OF AUDITORS

	2022	2021
	USD	USD
Auditor fees	282,501	275,850
	<u>282,501</u>	<u>275,850</u>

The Auditor fees include fees in connection to the statutory audit of the annual accounts and the consolidated financial statements. The audit fees for the full group level auditor are disclosed in the consolidated financial statements.

NOTE 17 – STAFF

As of December 31, 2022, the Company employed 15 full-time employees (2021: employed 19).



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 18 - OTHER OPERATING EXPENSES

	2022	2021
	USD	USD
Hedge Operating Losses	1,085,637	12,268,949
Directors fees	1,688,000	2,183,583
Other duties and taxes	532,390	187,512
	<u>3,306,027</u>	<u>14,640,045</u>

The Company enters into derivative financial instruments to protect its operational transactions and during year 2022 total losses amounted to USD 1,085,637 (2021: USD 12,268,949).

For further details of hedge strategies, refer to note 14.

NOTE 19 – REMUNERATION GRANTED TO THE DIRECTORS

During the year, the Company made payments to directors on the total amount of USD 2,110,000 (2021: USD 2,183,58).

NOTE 20 – TAXATION

The Company is subject in Luxembourg to the applicable general tax regulation. The tax charges consist in the following:

	2022	2021
	USD	USD
Other Taxes	5,865,102	12,472,979
Net Wealth Tax	<u>5,509</u>	<u>5,912</u>
	<u>5,870,611</u>	<u>12,478,891</u>



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
 As of December 31, 2022
 (expressed in USD)

NOTE 20 – TAXATION

The Company was subject to the minimum Net Wealth Tax for year 2022 of EUR 4,815 (2021: EUR 4,815), equivalent to USD 5,509 (2021: USD 5,912).

On July 31, 2022, the Company paid the equivalent to USD 5,263,165 on Peruvian Withholding Tax on the proceedings of a capital reduction in its subsidiary Nexa Cajamarquilla executed on June 08, 2022. Refer to note 5.

On August 31, 2022, the Company paid the equivalent to USD 57,023 on Peruvian Withholding Tax on the proceedings of a dividends in its subsidiary Nexa Peru executed on August 31, 2022.

On December 31, 2022, the Company paid USD 544,913 related to Brazilian Withholding Tax on the intercompany interest amount paid by the subsidiary Nexa BR to the Company.

NOTE 21 – TRANSACTIONS WITH RELATED PARTIES

The following significant transactions were entered into with related parties:

	2022	2021
	USD	USD
Sales	482,463,924	337,047,687
Interest Income	13,872,663	14,456,887
Total Income	496,336,586	351,504,574
Purchases	1,186,045,977	897,662,323
Interest Expense	13,037,105	5,118,218
Guarantee Fees	11,800,000	11,800,000
Total Expenses	1,210,883,082	914,580,541



Nexa Resources S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2022
(expressed in USD)

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS

Guarantees provided

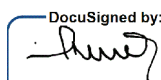
As of December 31, 2022, the Company has provided bank guarantees of USD 177,420 (2021: USD 212,382), equivalent to EUR 165,375 (2021: EUR 183,915), being the majority (USD 169,186) related to the lease office.

The Company provided guarantees to its direct and indirect subsidiaries Nexa BR and Mineração Dardanelos in the context of bank loans that have an aggregate amount of USD 398,383,671 (2021: 313,407,834). The Board of Directors has assessed as remote the possibility of the Company being required to settle the guaranteed obligations. Therefore, as of December 31, 2022, these financial guarantees are not accounted for in the balance sheet.

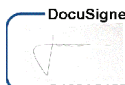
The Company has commitment to deliver copper concentrate to Offtaker. Refer to Note 12.

NOTE 23 – POST BALANCE SHEET EVENTS

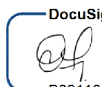
On February 15, 2023, the Company's Board of Directors approved, subject to ratification by the Company's shareholders at the 2024 annual shareholders' meeting in accordance with Luxembourg laws, a cash distribution to the Company's shareholders of approximately USD 25,000,000 to be paid on March 24, 2023 as share premium (special cash dividend).

DocuSigned by:

3C81997C5026425...

Ignacio Rosado
Chief Executive Officer

DocuSigned by:

C402A545B23E4AF...

Jose Carlos del Valle
Chief Financial Officer

DocuSigned by:

B82116AB243C457...

Claudia Torres
Controller