

Mining that changes with the world

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4Q22 and 2022 Results

February 16, 2023

NEXA
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Solid Operating Performance

Guidance was **achieved** in **all metrics**

- **Mining production** close to the **upper range** of the guidance
- **Metal Sales exceeded** guidance;
- **Mining Cash Cost right on** guidance;
- **Smelting Cash Cost better than** guidance.



Aripuanã ramp-up continues to progress. **Solid exploration** program increasing Mineral Reserves and Resources



Adjusted EBITDA ⁽¹⁾ of **US\$120 million** in **4Q22** and **record-high** Adjusted EBITDA of **US\$760 million** in 2022



Cash Flow generated by operations before expansion of **US\$285 million**



A **Strong** Balance Sheet:

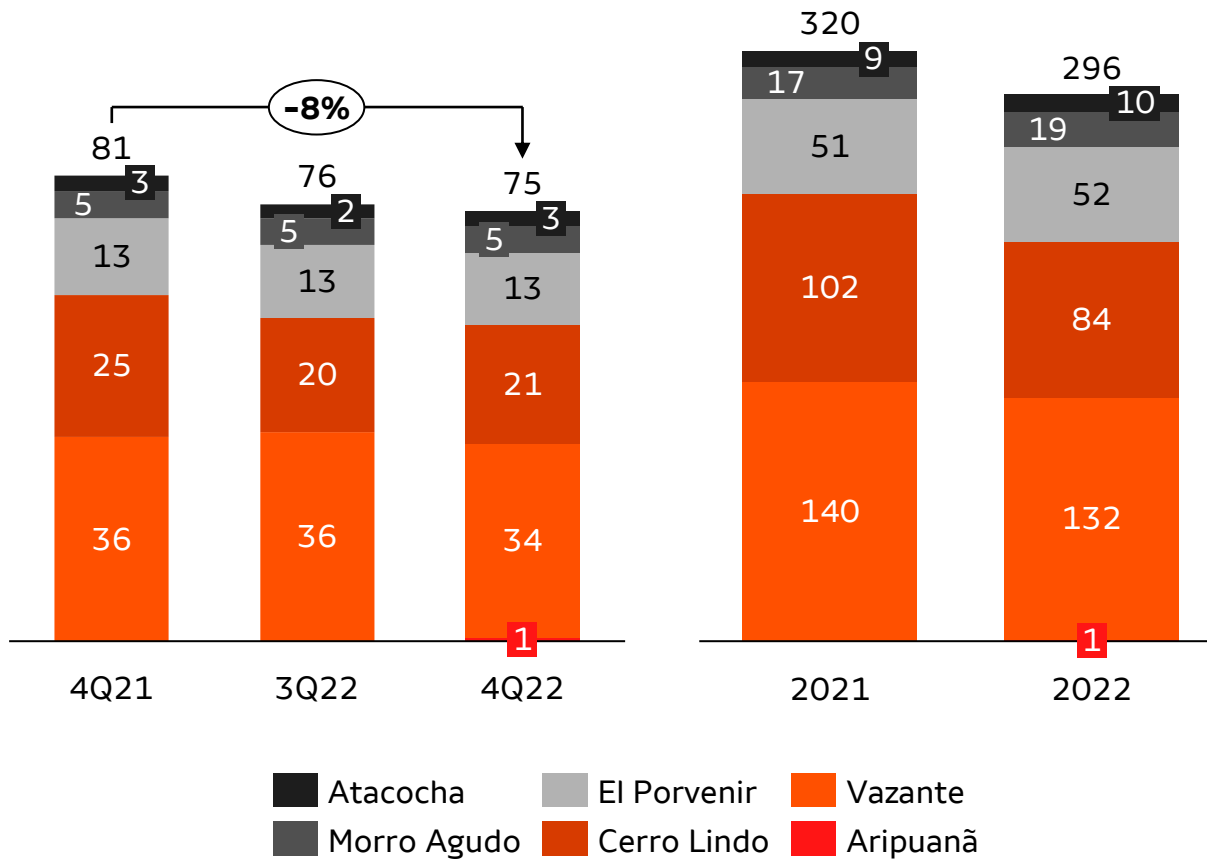
- Long-term debt profile with low leverage (1.53x)

(1) In December 2022, Nexa revised its Adjusted EBITDA definition and decided to exclude certain items to provide a better understanding of its operational and financial performance. With old definition, Adj EBITDA in 2022 would have been US\$668 million

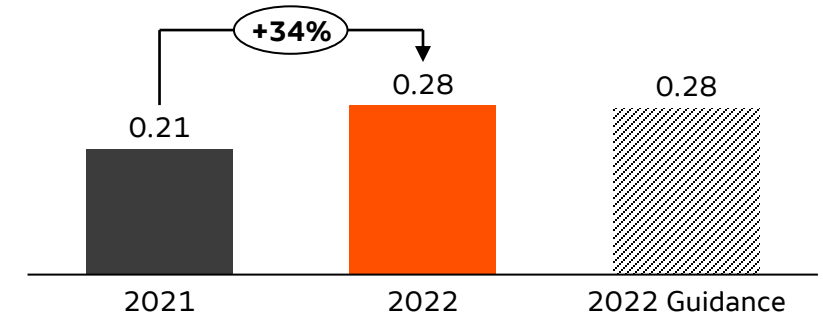
Operating Performance | Mining Segment



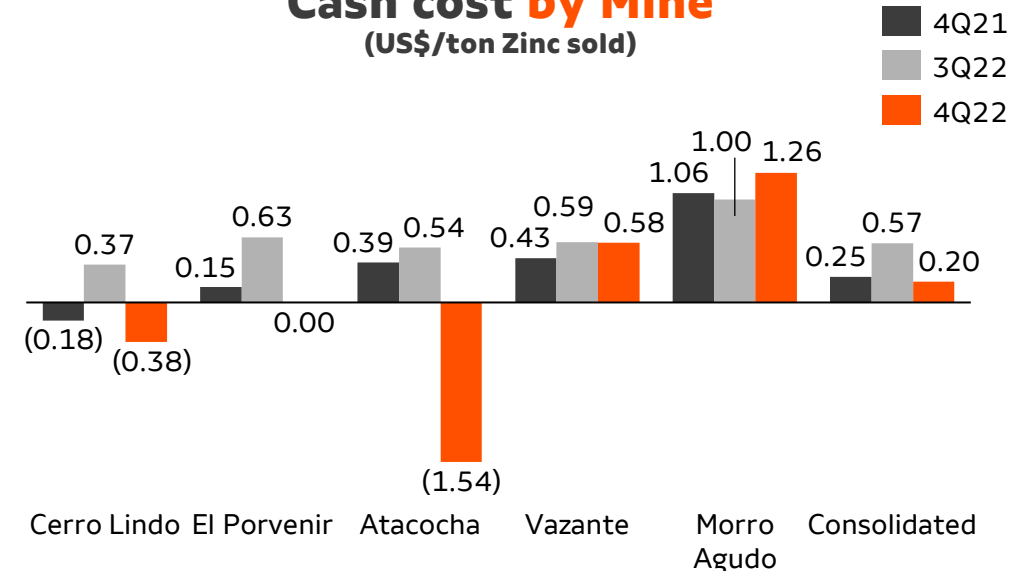
Zinc Production (000 ton)



Consolidated Cash Cost (US\$/ton Zinc sold)



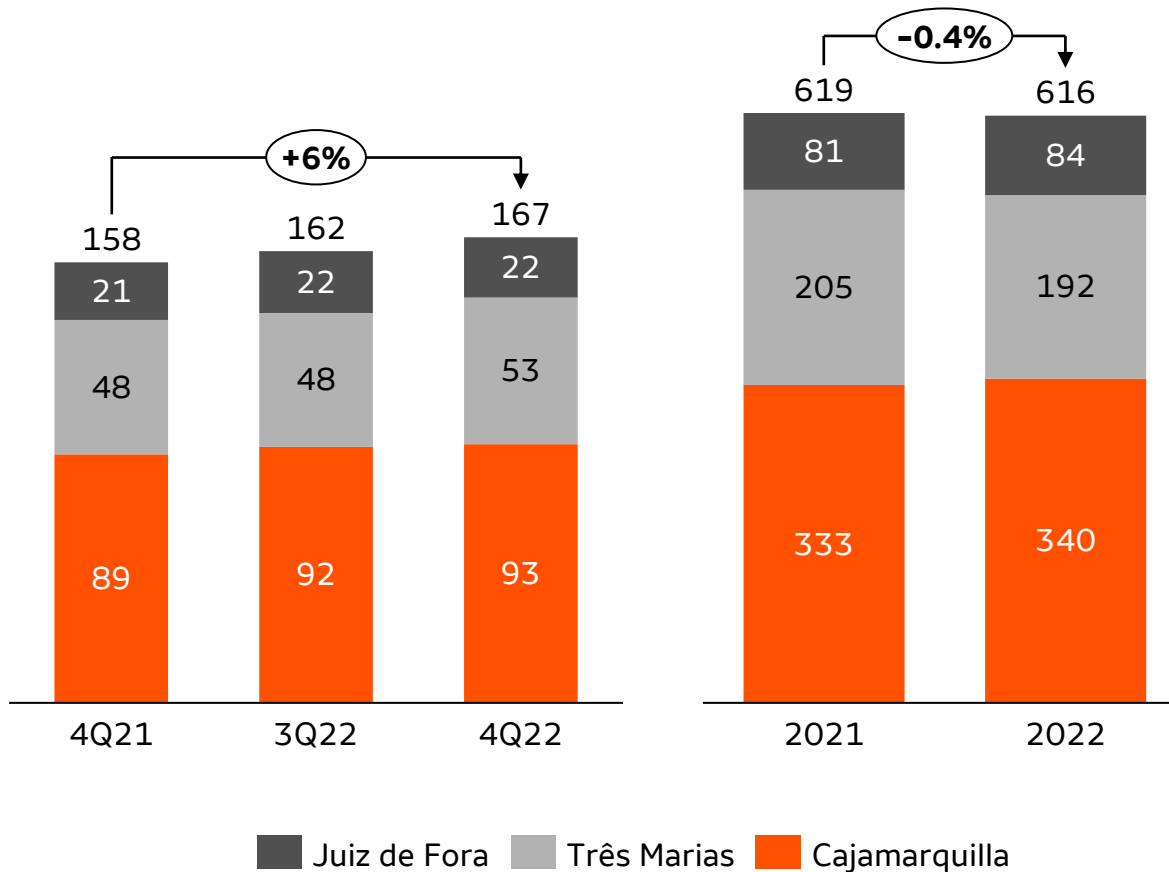
Cash cost by Mine (US\$/ton Zinc sold)



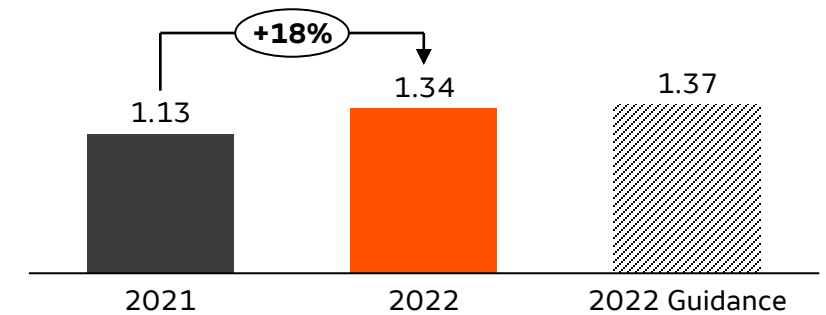
Solid Operating Performance | Smelting Segment



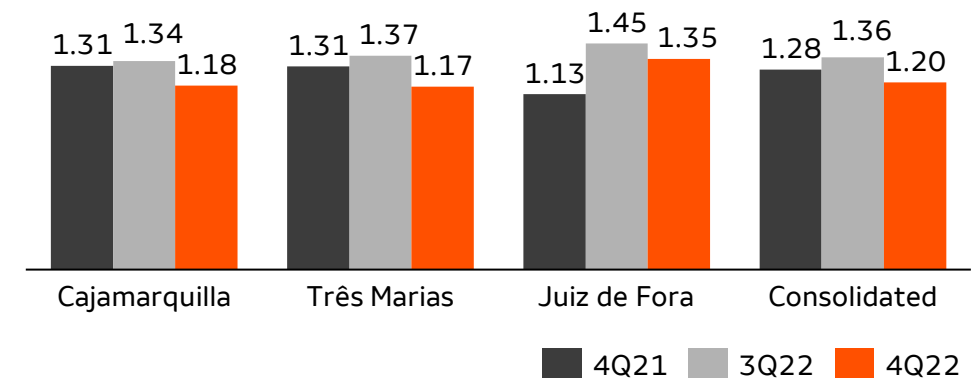
Metal Sales (000 ton)



Consolidated Cash cost (US\$/ton Zinc sold)



Cash cost by Smelter (US\$/ton Zinc sold)



Aripuanã | Update

World-class underground polymetallic mine – our 3rd flagship mine

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✓ Ramp-up activities have continued to make progress



✓ Steady increase in plant throughput rate (53% in 4Q22)

✓ Aim to achieve nameplate capacity in 2H23



- US\$66 million invested in expansion CAPEX in 2022. Cumulative expansion CAPEX of US\$632 million

- Total investment in 2022 of US\$226 million (including Expansion, Sustaining, Working Capital and Pre-Operational expenses)



- Drilling results indicate potential increase of Mineral Reserves

- Aggressive Exploration Program in 2023, to significantly increase Life of Mine.

- Plan to drill 4,400 meters to extend Babaçu body to northwest. Additional 11,200 meters of infill drilling planned for Mineral Resources reclassification at Babaçu also in 2023.



- Sales of concentrates already within market specifications
- In addition, zinc in concentrate from Aripuanã has been processed at the Juiz de Fora smelter
- Capacity utilization above 60% in the beginning of February 2023
- Higher sales volume expected in 1Q23



Exploration program | 2022 achievements

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

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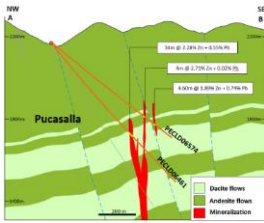
Cerro Lindo:

Meters Drilled¹: 77,182m

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

Life of Mine (years)

8 years

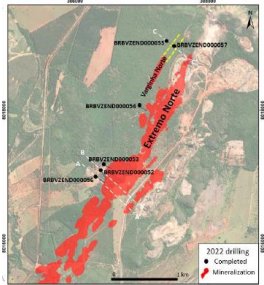


Vazante:

Meters Drilled¹: 42,147m

In 2022, the brownfield exploration at Vazante focused on **expanding existing mineralized zones** in the northern extension of the mine and at the **Varginha Norte trend**. High Zinc grade willemite bearing intersections in the Extremo Norte area extended the mineralized zones in this area

11 years

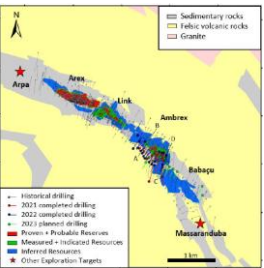


Aripuanã:

Meters Drilled¹: 46,031m

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

11 years

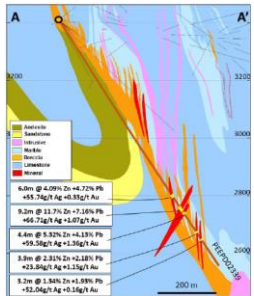


Cerro Pasco Complex:

Meters Drilled¹: 52,690m (El Porvenir) and 10,154m (Atacocha)

The exploration drilling strategy in El Porvenir continues to focus on extending the existing satellite mineralized bodies along strike and at depth.

7 years
(El Porvenir)



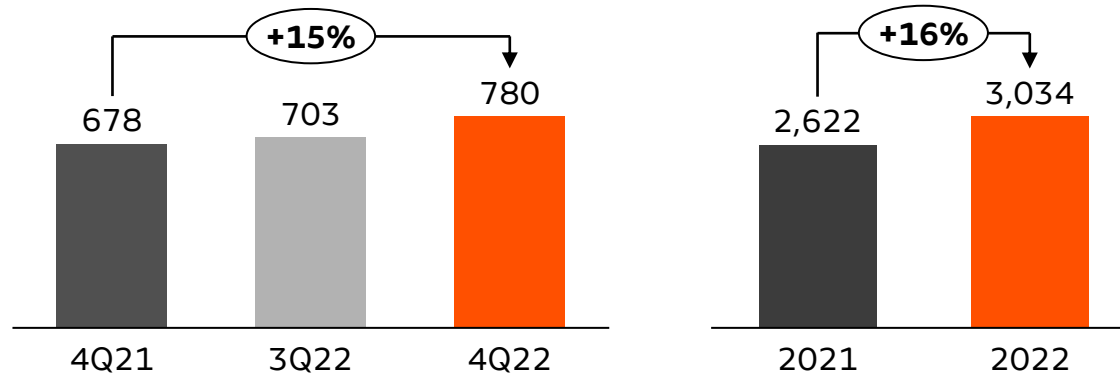
Note: Mine Life based on Mining Report 2021; mine life calculated by dividing reserves by ore mined capacity; ⁽¹⁾ Includes: exploration and infill drilling.

2022 | Adjusted EBITDA

Consolidated Results



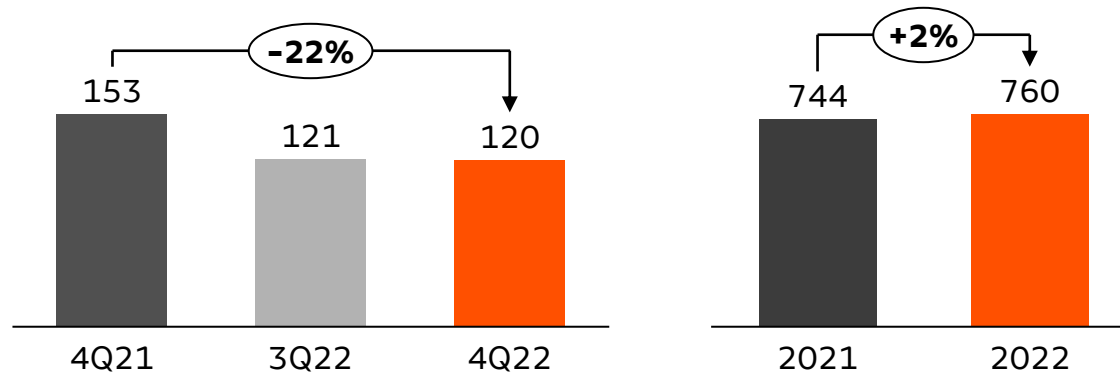
Net Revenues¹



Higher net revenue in 4Q22, mainly driven by higher metals sales.

In 2022, net revenue increased by 16% due to higher LME zinc prices.

Adjusted EBITDA²



Adjusted EBITDA in 4Q22 decreased to US\$120 million mainly due, to increase in costs and to Aripuanã ramp-up effect of US\$14 million y-o-y.

Record-high Adjusted EBITDA of US\$760 million, up 2% compared to 2021 due to higher zinc LME prices and by-products contribution.

⁽¹⁾ Includes intersegment results; ⁽²⁾ In December 2022, Nexa revised its Adjusted EBITDA definition and decided to exclude certain items to provide a better understanding of its operational and financial performance. With old definition, Adj EBITDA in 2022 would have been US\$668 million.

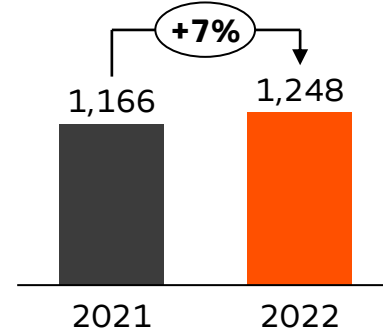
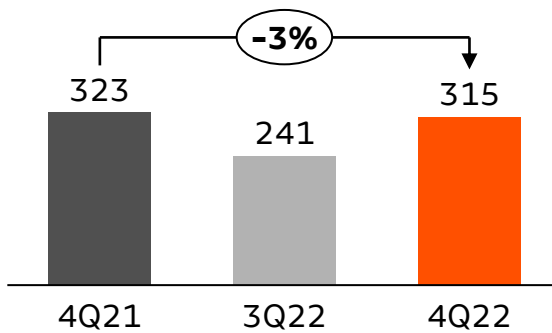
2022 | Record-high smelting Adjusted EBITDA

By Segment

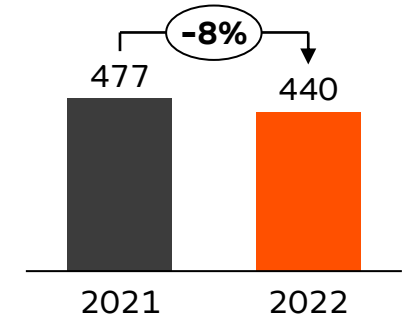
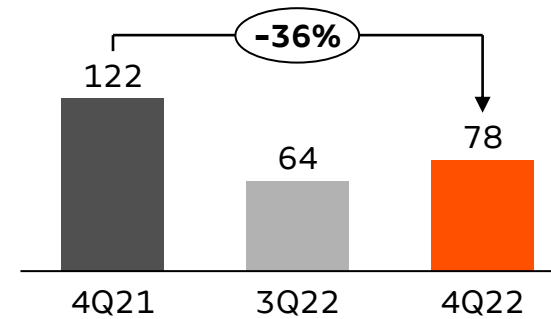


Mining

Net Revenue

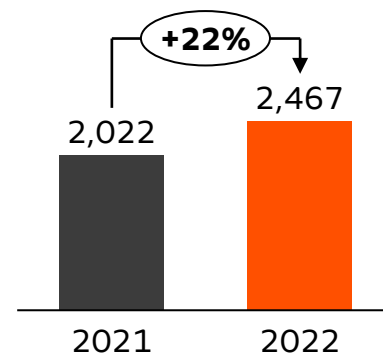
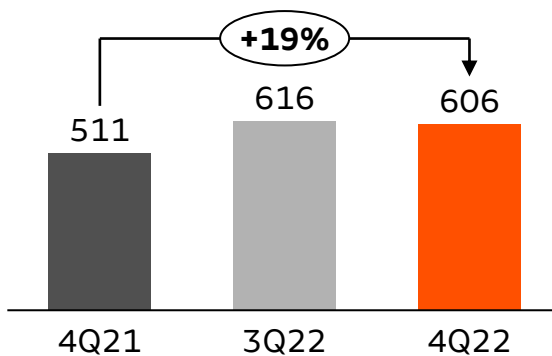


Adjusted EBITDA¹

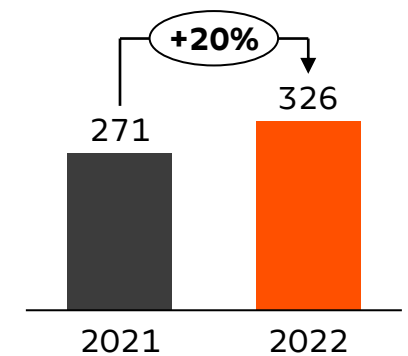
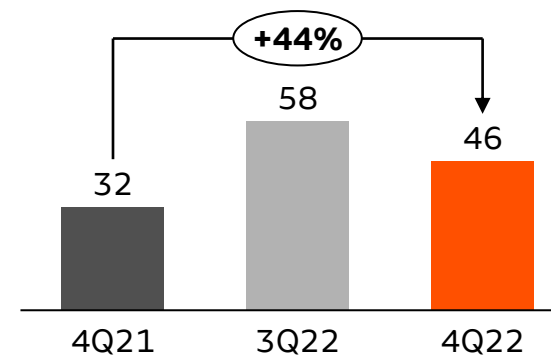


Smelting

Net Revenue



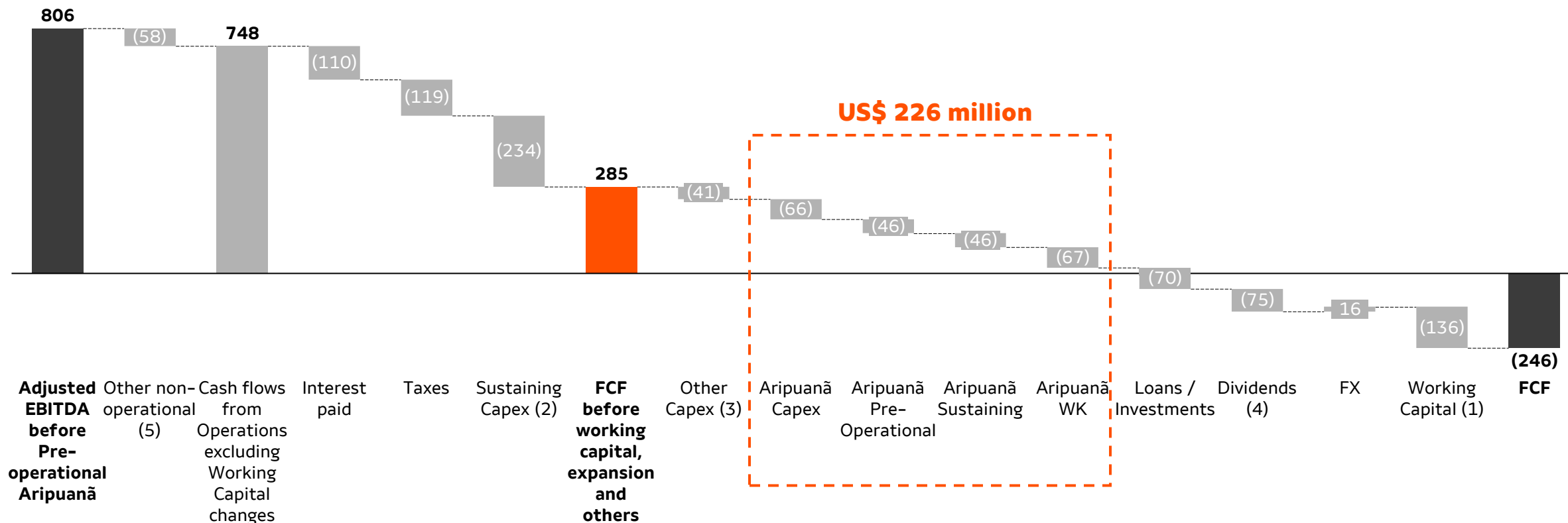
Adjusted EBITDA¹



⁽¹⁾ Intersegment results does not consider Adjustments.

2022 | Cash Flow

US\$ million



FCF before expansion was US\$285 million

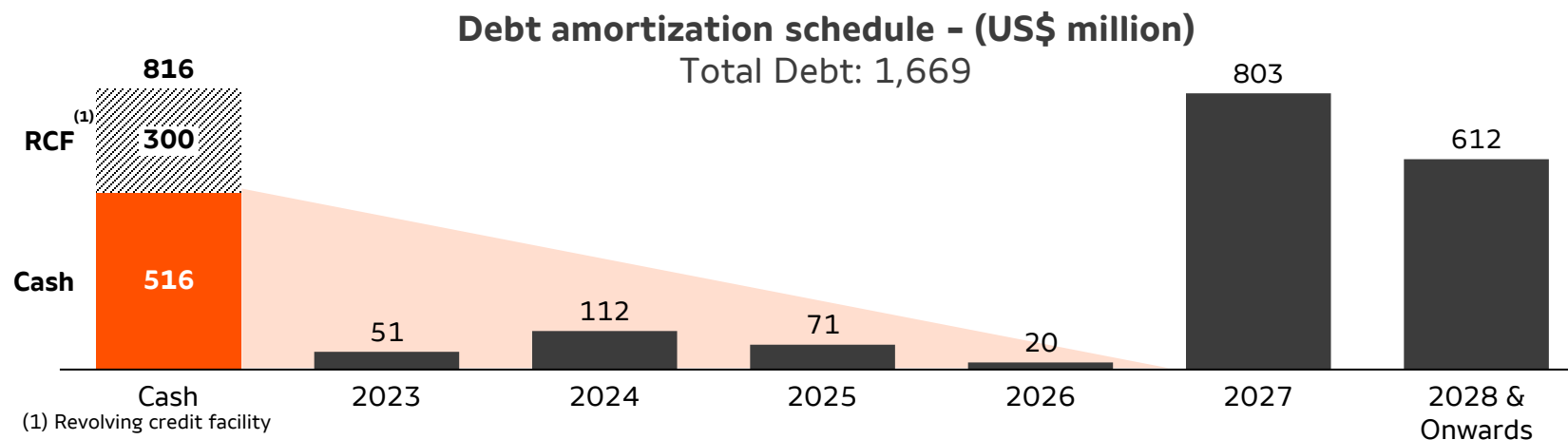
Completion of Aripuanã ramp up, together with other cash optimization initiatives will contribute to **FCF** in 2023

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

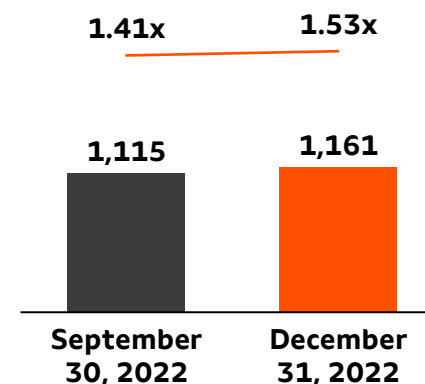
Liquidity and Indebtedness

Debt profile (as of December 31st, 2022)

Average debt maturity: 4.6 years @5.31% avg. cost



Net Debt⁽²⁾/LTM Adj. EBITDA



- Solid balance sheet with a long-term debt profile
- Leverage = 1.53x

Rating agencies

Rating

Outlook

Fitch

BBB-

Stable

S&P

BB+

Stable

Moody's

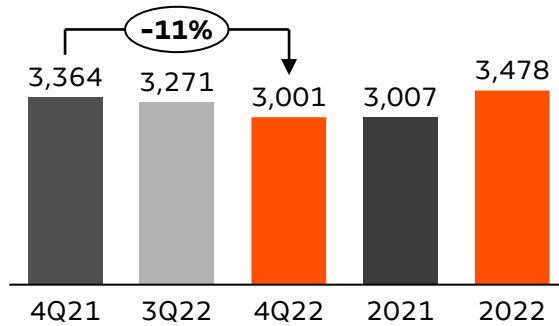
Ba2

Stable

⁽²⁾ Gross debt (US\$1,669 million) minus cash and cash equivalents (US\$498 million), minus financial investments (US\$18 million), plus derivatives (US\$3 million), plus Lease Liabilities (US\$5 million).

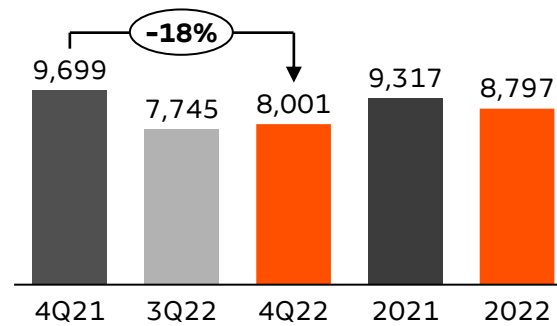
Zinc

LME average price¹
US\$/ton



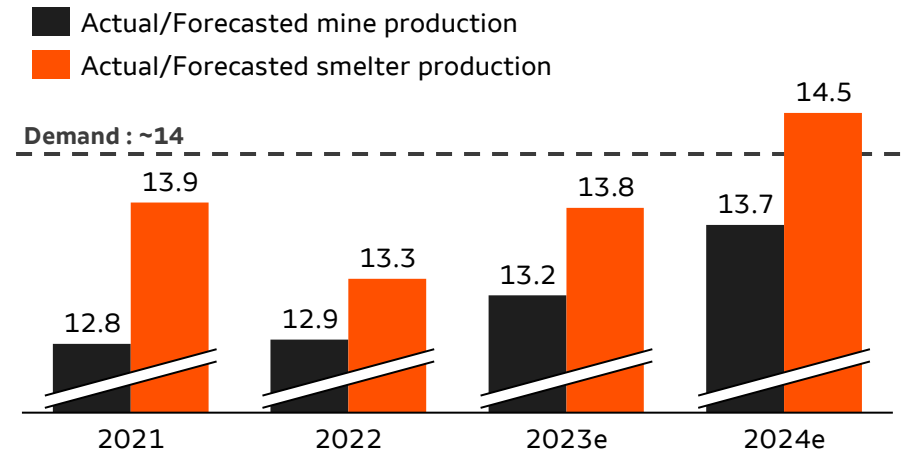
Copper

LME average price¹
US\$/ton



Zinc concentrate supply³

Million ton



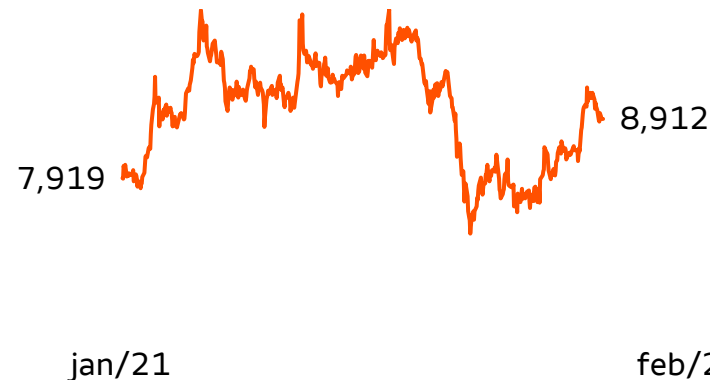
Zinc LME price evolution²

US\$/ton



Copper LME price evolution²

US\$/ton



Comments:

- **Zinc price:** the outlook remains positive for the mid and long-term supported by market fundamentals. Demand is expected to be driven by investments in infrastructure and construction sectors.
- **Copper price:** electric vehicle production and renewable energy projects are expected to be essential to copper demand. On the supply side, both greenfield and brownfield projects are expected to start operations in 2024-2025 adding pressure in the short-term supply-demand balance.

⁽¹⁾ Based on daily prices, as traded in the London Metal Exchange. ⁽²⁾ Based on daily prices until February 13th, 2023, as reported by the London Metal Exchange and Shanghai Futures Exchange. ⁽³⁾ Wood Mackenzie forecast for total stocks (LME+SHFE+Shadow) for 4Q22.

Guidance 2023-2025

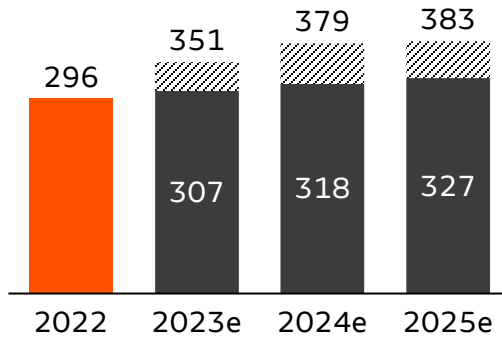


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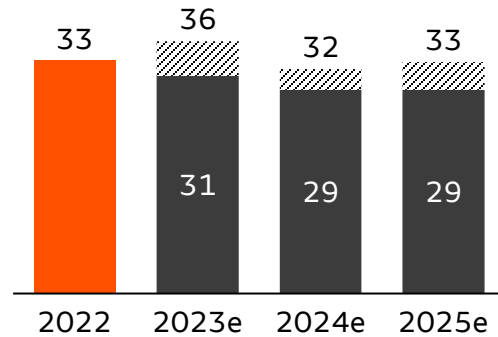
Mining segment | Guidance

Production

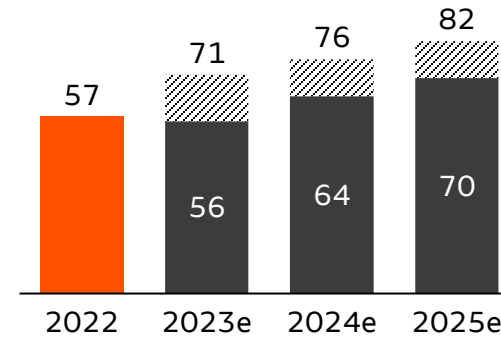
Zinc
(000 ton)



Copper
(000 ton)

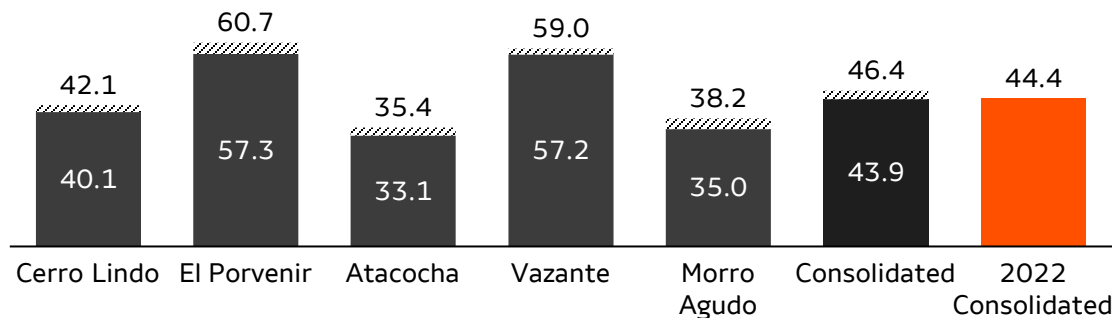


Lead
(000 ton)

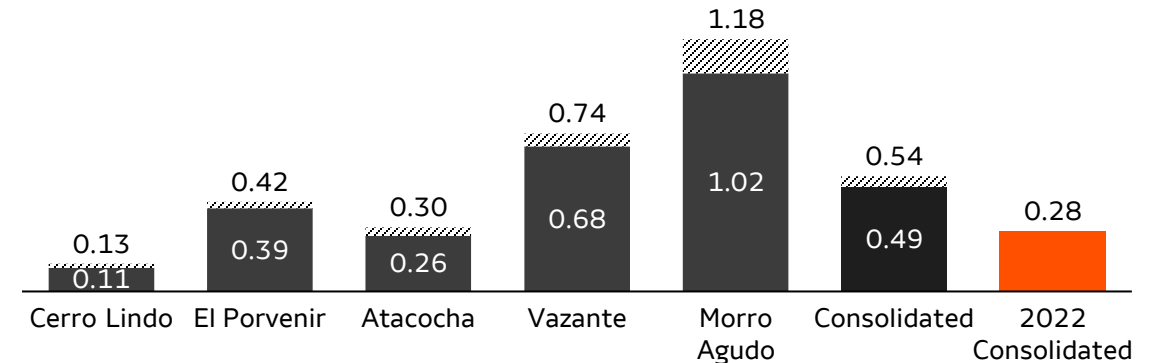


- For the forecasted periods **base metals production** is expected to increase with Aripuanã.
- Run of mine mining costs** at mid-range of the guidance are expected to increase 2% y-o-y primarily driven by Vazante (scheduled maintenance).
- Cash costs** are expected to increase due to lower by-products contribution and zinc volumes (not including Aripuanã).

Mining Cost ROM 2023e (US\$/t)



Mining Cash Cost 2023e (US\$/lb)¹

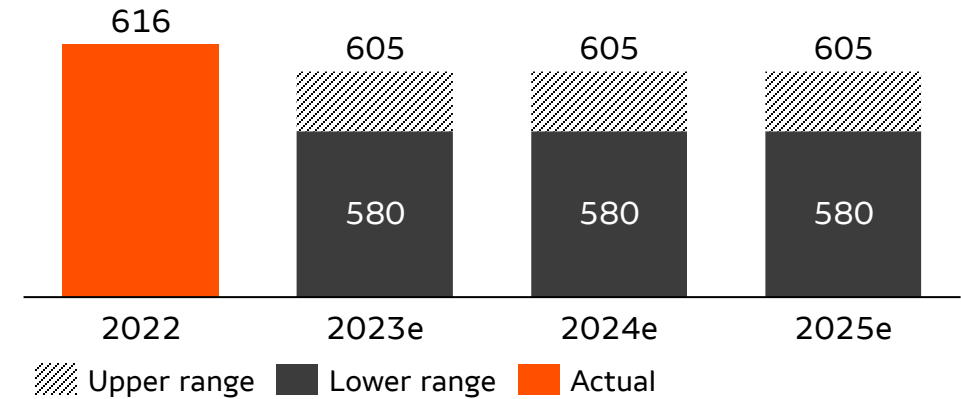


⁽¹⁾ C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per mine. Note: 2023 costs are not including Aripuanã mine.

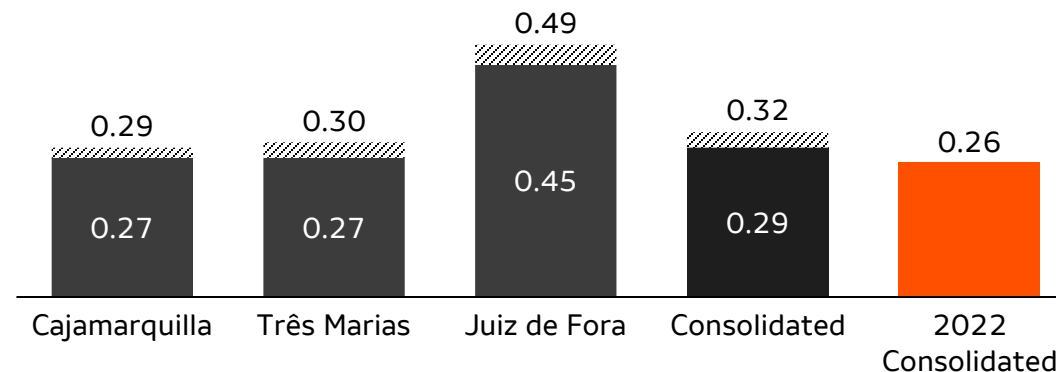
Highlights

- For the forecasted periods, the smelters are expected to **operate at normal levels** and sales are expected to be similar to production levels.
- In 2023, **conversion costs** are expected to increase mainly driven by Brazil due to inflationary costs pressure and estimated higher energy costs, also affected by Enercan's deconsolidation.
- 2023 **cash cost** guidance is expected to decrease y-o-y primarily due to an estimated decrease in zinc prices and higher TCs.

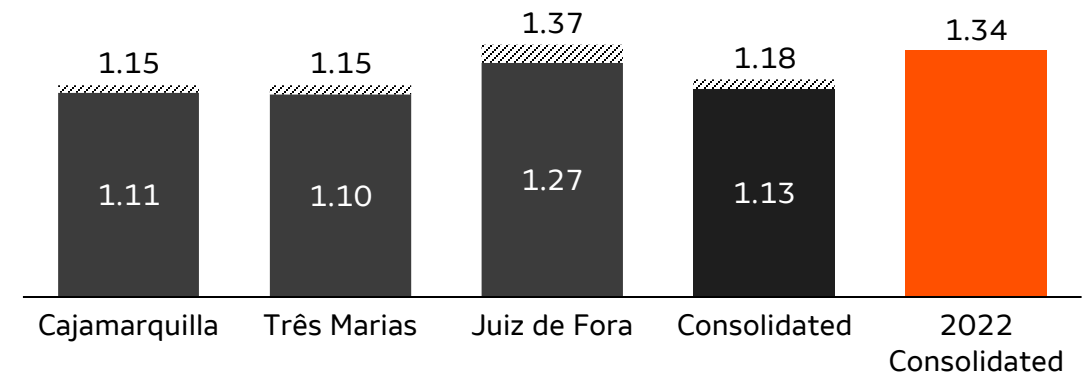
Metal sales (Zinc metal + Oxide) (000 ton)



Smelting Conversion Cost 2023e (US\$/lb)

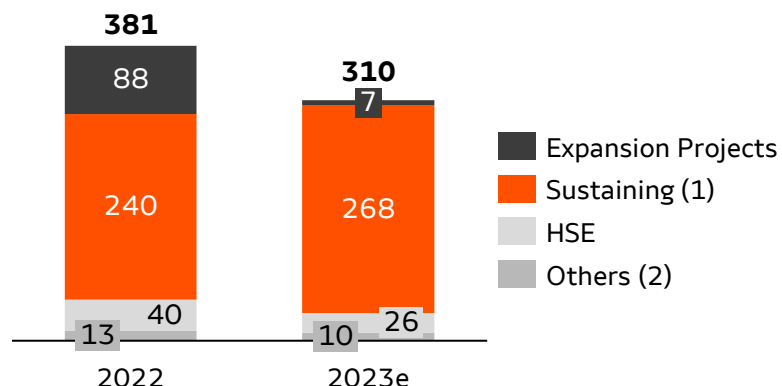


Smelting Cash Cost 2023e (US\$/lb)¹



⁽¹⁾ C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per smelter.

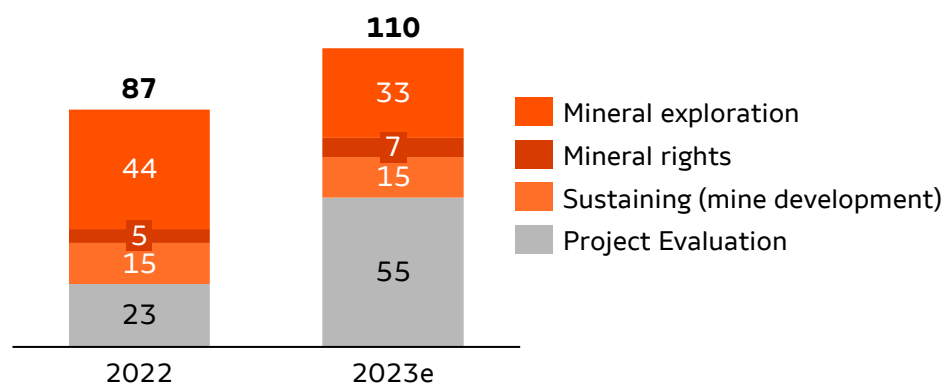
Capital expenditures



2023 estimated CAPEX of US\$310 million.

- Sustaining investments are expected to total US\$268 million, with mining accounting for US\$200 million (US\$54 million related to Aripuanã) and smelting accounting for US\$66 million .
- Health, safety and environmental (“HSE”) expenses are forecasted to be US\$26 million.

Exploration and Project evaluation



In 2023, we plan to invest US\$110 million in exploration and project evaluation.

- Mineral exploration expense guidance of US\$33 million relates to greenfield projects in exploration phase and brownfield projects, which represent exploration of orebody targets in our own operations.
- Project evaluation expense guidance of US\$55 million includes projects to extend the life of the disposal facility of Três Marias smelter, among others (corporate IT, and various projects across our business units).

In addition, we expect to invest US\$10 million to improve our current operations and US\$15 million to continue contributing to the social and economic development of our host communities.

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



Conclude the **ramp up** of **Aripuanã** and **increase** production and sales;



Pasco Complex integration – improve site infrastructure, advance with integration analysis and potentially increase production;



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



Increase current resource base and seek **strategic growth opportunities**, while continuously analyzing and **optimizing** our **project portfolio**.



Continue to move forward with our **ESG strategy**, delivering long-term value creation and sustainable development;



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





thank you

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