

From the world of mining to the world of people

nexa

1Q21 Results

April 30, 2021

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Nexa | A resilient performance in a challenging scenario

Effective response to COVID-19. Crisis committee remains in place



✓ The health and safety of our people remain our top priority

✓ Nexa recorded the 3rd highest Adjusted EBITDA in its history

✓ Disciplined cost control and capital allocation

✓ Aripuanã on track

✓ Strong balance sheet and continued deleverage process



130kt
zinc equivalent
production
(up 7% from 1Q20)



148kt
Metal
sales
(up 2% from 1Q20)

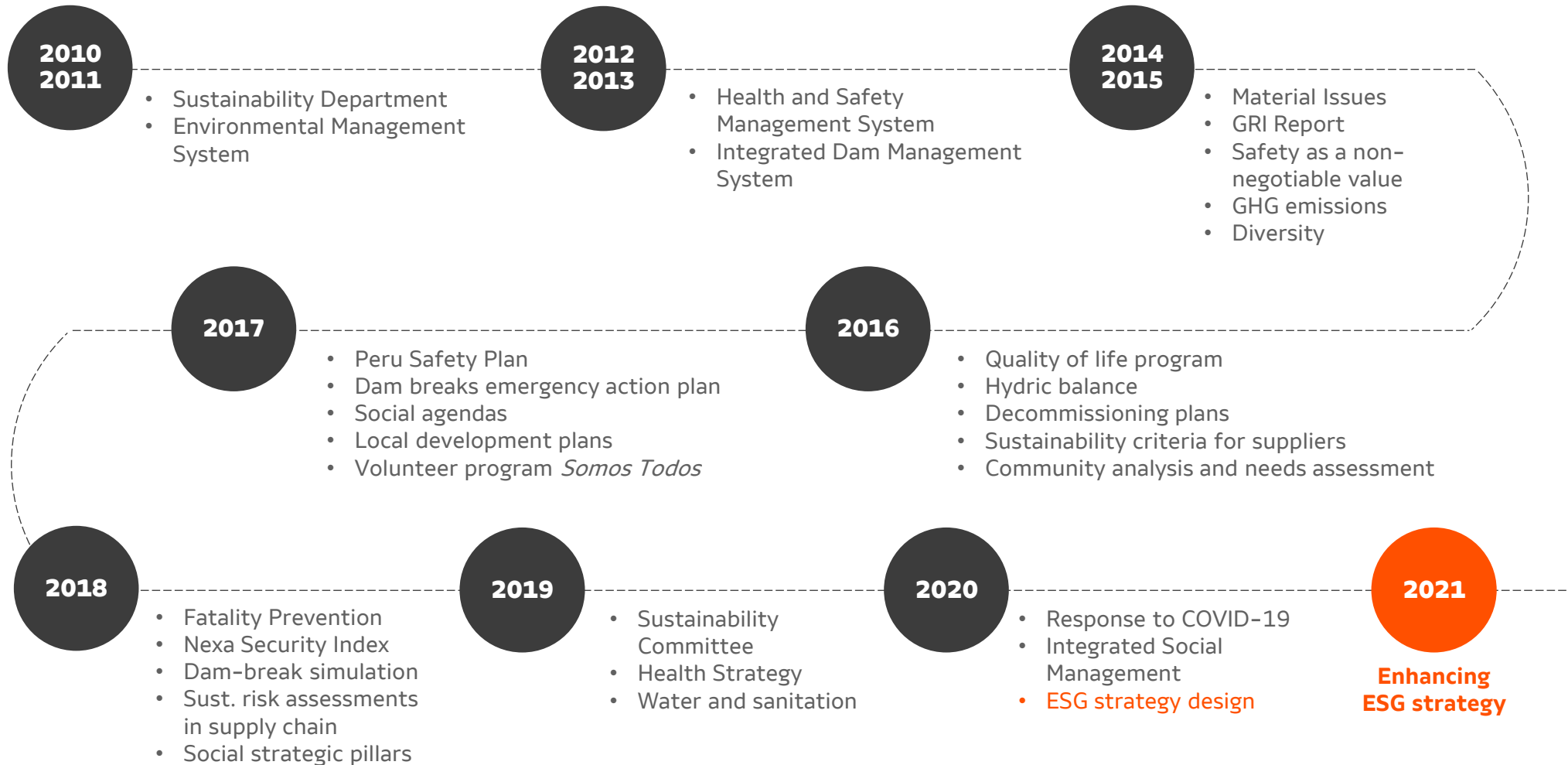
US\$ **180 million**
Adjusted EBITDA
(up 312% from 1Q20)

1.73x
Financial leverage

US\$ **84 million**
CAPEX



We are on a journey to build an **ESG-focused** mining company

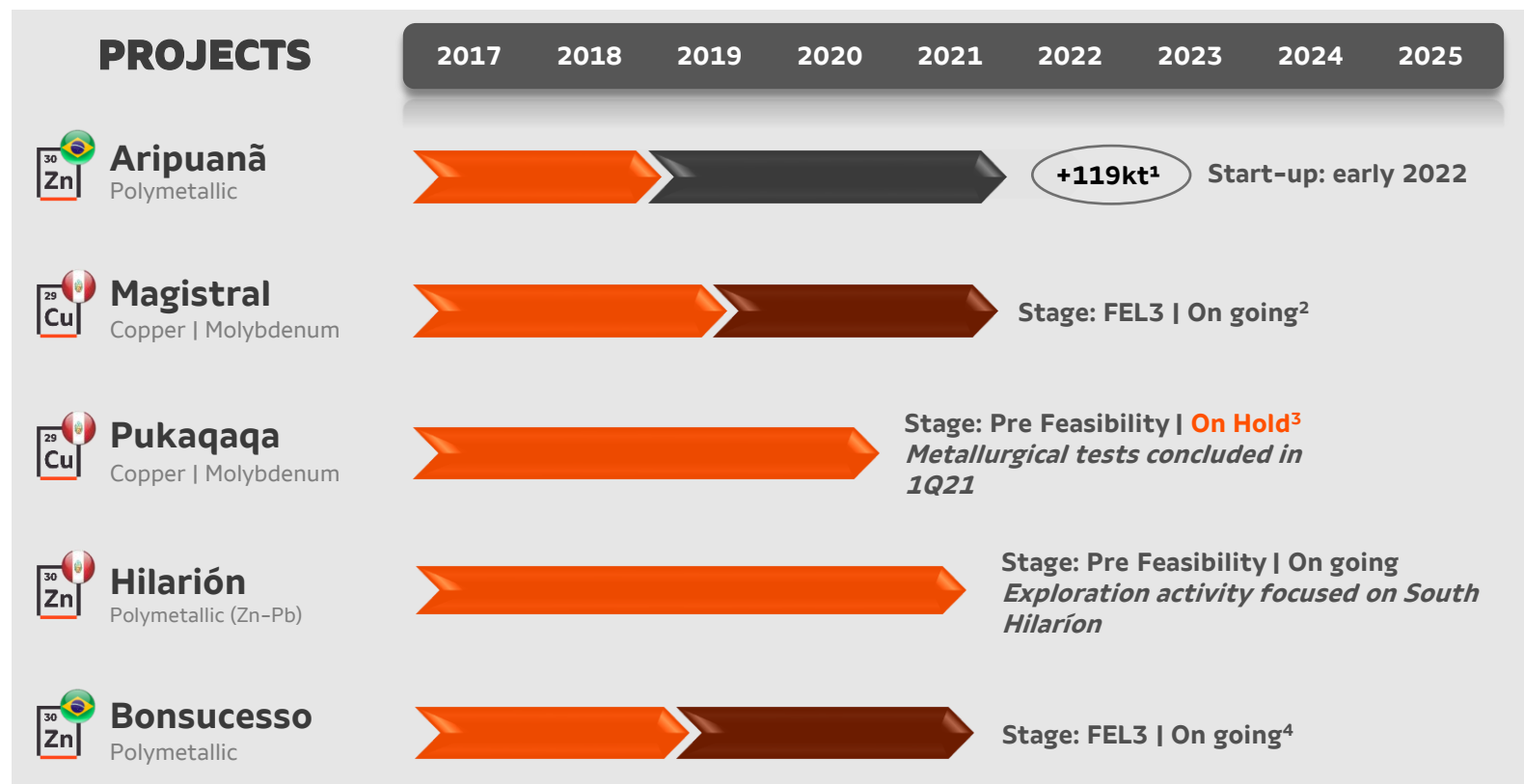


Main projects portfolio

Development timeline

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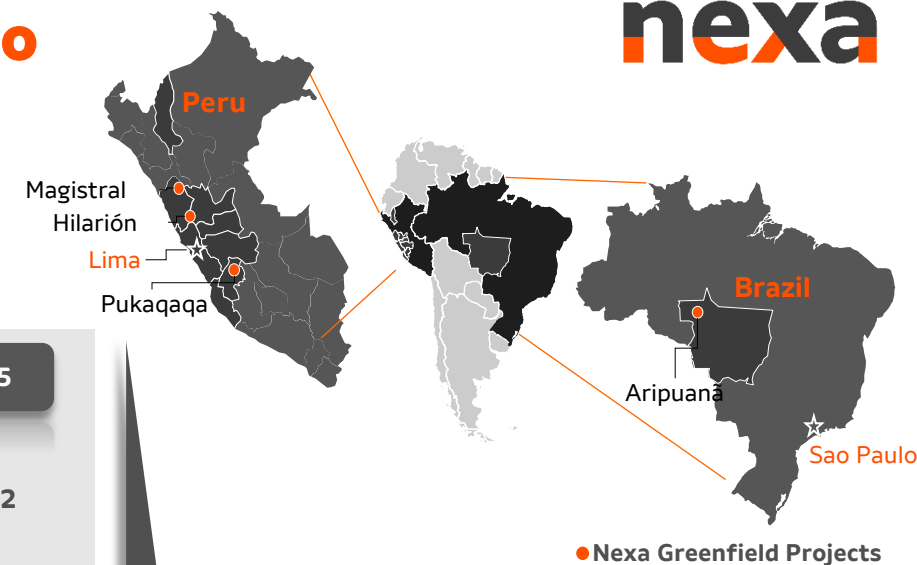
ESTIMATED TIMELINE



 EXPLORATION AND PRE FEASIBILITY

 FEASIBILITY

 CONSTRUCTION



Attractive project portfolio in different stages of maturity

Note: Estimated timeline as of April 2021. ¹Annual zinc equivalent production; ²In 2021, we expect to advance further detailed engineering and optimization opportunities to mitigate the risk of project execution, before consideration of project approval. ³Capital allocation strategy in response to COVID-19; ⁴ FEL3 resumed 1Q21, as expected.

Aripuanã | Project

Competitive cash cost position with attractive returns

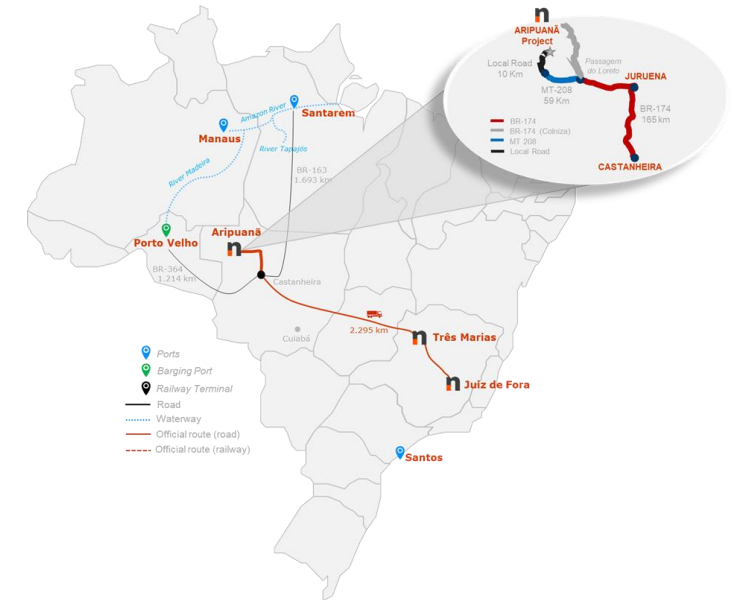


Project overview

- **11 years LOM¹** with excellent **potential** to extend mine life **beyond 20 years²** based on current inferred resources and exploration drilling campaigns (i.e., the current Babaçu drilling activities indicate room for further resource expansion)
- Zinc equivalent³ average production¹ **119kt/yr**
- **Sustainable** project:
 - ✓ Tailings disposal: **50% dry stacks** and **50% cement paste** backfill
 - ✓ **100%** process **water recirculation**, with minimal discharge to the environment

Highlights

- **Estimated start-up early 2022**
- Estimated project **CAPEX of US\$547 million** (US\$353 million invested since the project execution approval)
- Status (March, 2021):
 - **79% overall physical progress**
 - **97%** of procurement completed
 - **90%** of long lead equipment delivered to site
 - In March, we initiated stoping (trial mining) activities at Arex. We have 250 employees working on mine development at Aripuanã



¹Based only on current mineral reserves; ²Based on significant currently inferred mineral resources and Nexa's good track record of conversion to indicated resources; ³Consolidated mining production in kton of zinc equivalent calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade based on consensus LT forecasts

1Q21 Overview

1Q21 Consolidated results

Mining segment

Smelting segment

Liquidity and Indebtedness

Nexa | Disciplined capital allocation

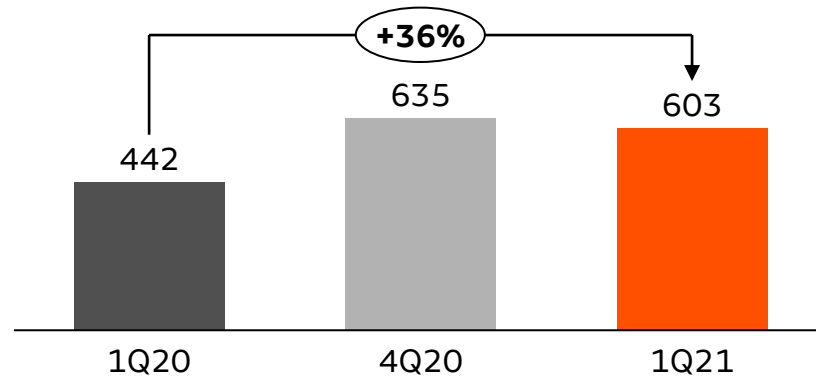
Cash Flow | 1Q21



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1Q21 Consolidated results

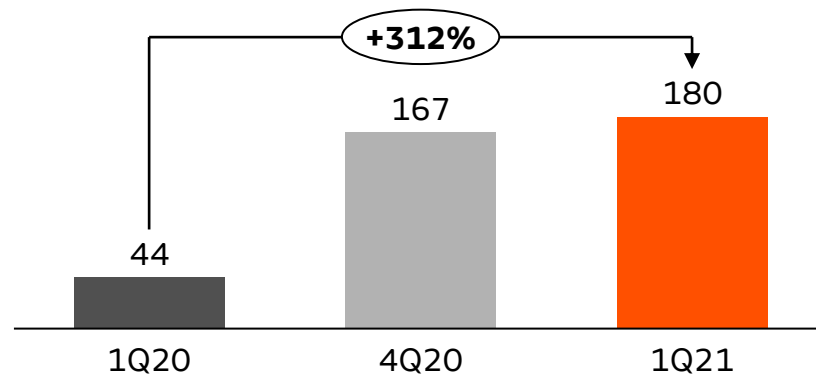
Net Revenue¹



Net revenue in 1Q21 increased by 36% vs 1Q20, mainly driven by higher zinc and copper prices.

Compared to 4Q20, net revenue decreased by 5% due to lower volumes, partially offset by the increase in prices.

Adjusted EBITDA



Adj. EBITDA in 1Q21 was positively affected by higher prices; lower costs and by-products contribution. The BRL devaluation vs USD also contributed to this performance.

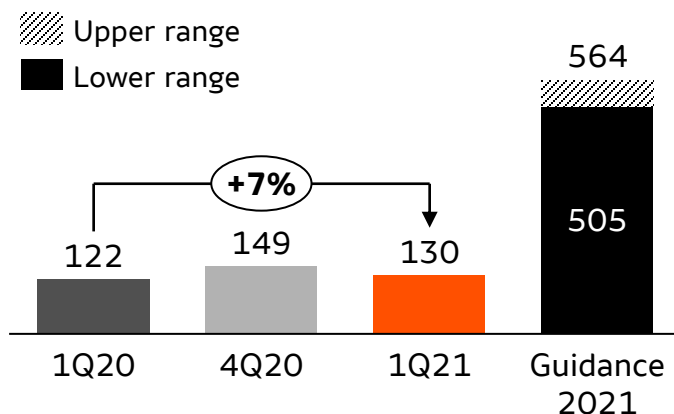
Compared to 4Q20, Adj. EBITDA increased by 8% driven by higher metal prices and lower costs.

⁽¹⁾ Includes intersegment revenues

Mining segment

Zinc Equivalent

(000 ton)

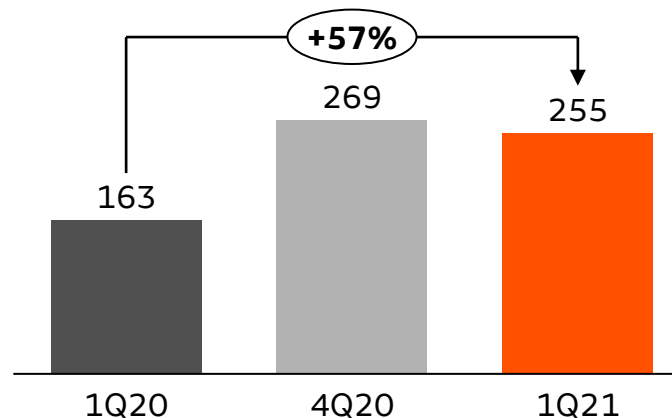


1Q21 zinc equivalent production was 7% higher driven by Cerro Lindo and El Porvenir.

Zinc production was relatively **flat** y-o-y while **lead** and **copper** production **increased** by 10.5% and 12.6%, respectively.

Net Revenue

(US\$ million)

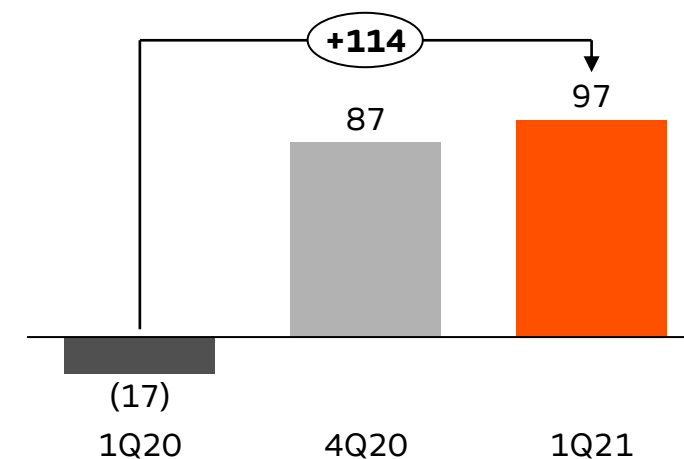


1Q21 net revenue was up 57% mainly driven by higher metal prices in addition to volumes increase.

Compared to 4Q20 net revenue decreased by 5% due to lower mining production, partially offset by higher prices.

Adjusted EBITDA

(US\$ million)

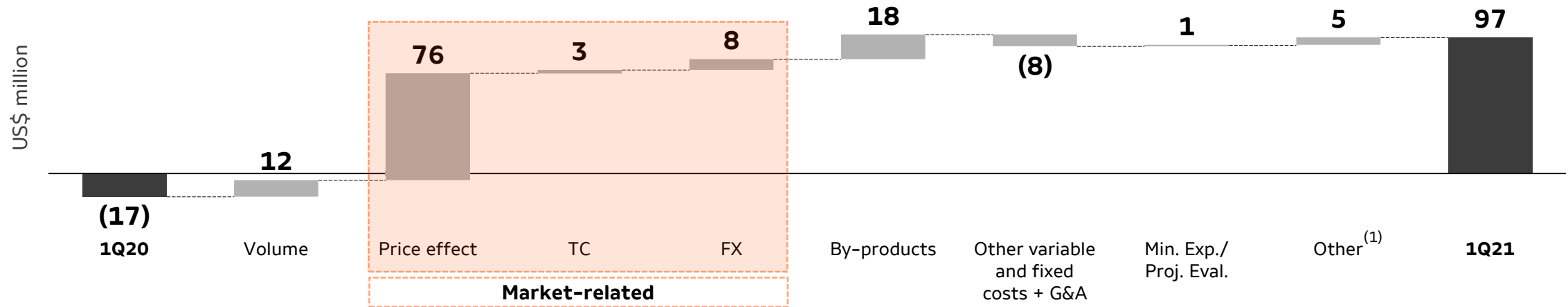


1Q21 Adj. EBITDA was US\$97 million, strongly recovering from 1Q20.

Compared to 4Q20 Adj. EBITDA increased by 11.6% due to higher prices and lower costs.

Mining segment

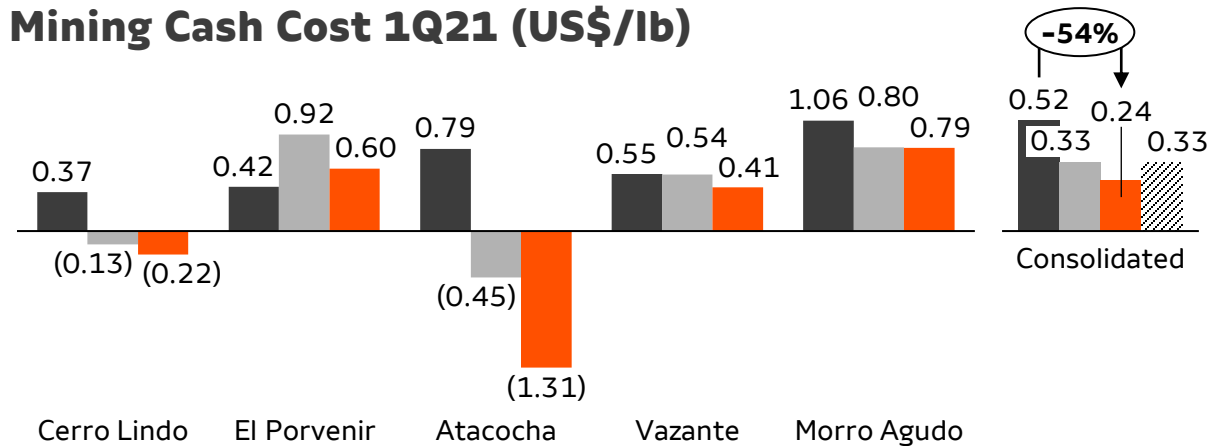
1Q21 results positively impacted mainly by higher LME prices and lower operating costs and corporate expenses



Comments

- **Market related factors** had a positive variation impact of US\$105 million.
- **Higher LME prices.**
- Lower **operating costs** and **corporate expenses**.
- Positive **foreign exchange effect**.
- **Cash cost** in 1Q21 **decreased 54% y-o-y** to US\$0.24/lb.

Mining Cash Cost 1Q21 (US\$/lb)

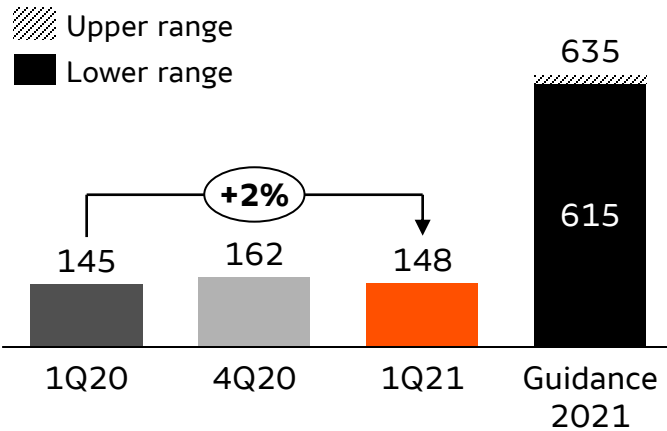


⁽¹⁾ Includes: Other income and expenses

Smelting segment

1Q21 results positively impacted mainly by higher prices and TCs, and BRL devaluation

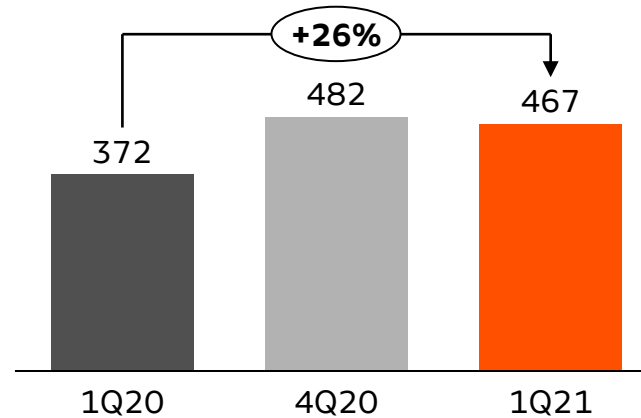
Metal Sales (Zinc metal + Oxide) (000 ton)



1Q21 metal sales up 2% from 1Q21, mainly driven by solid demand in our home markets.

Compared to 4Q20 metal sales were 8% lower due to sales seasonality.

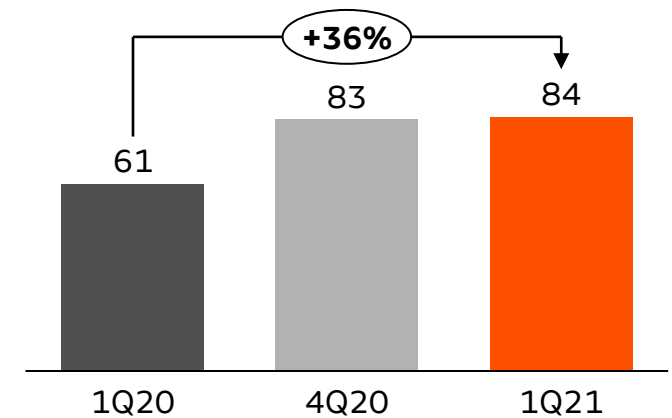
Net Revenue (US\$ million)



1Q21 net revenue was 26% higher y-o-y, following higher average zinc prices.

Compared to 4Q20 net revenue was down 3% also due to lower volumes.

Adjusted EBITDA (US\$ million)

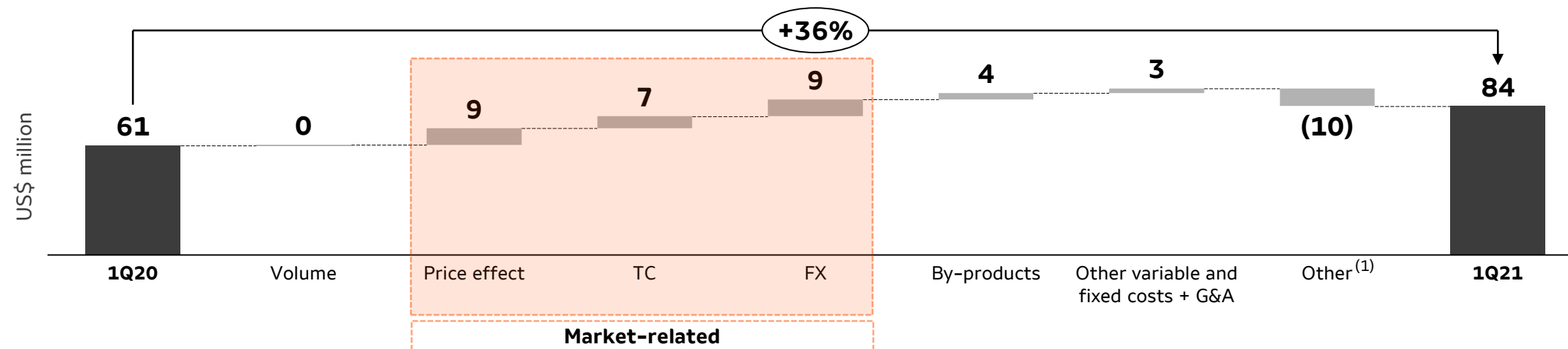


1Q21 EBITDA was up 36% y-o-y driven by higher prices and TCs, the BRL devaluation and increase in by-product contribution.

Compared to 4Q20 EBITDA was relatively flat (up 1%).

Smelting segment

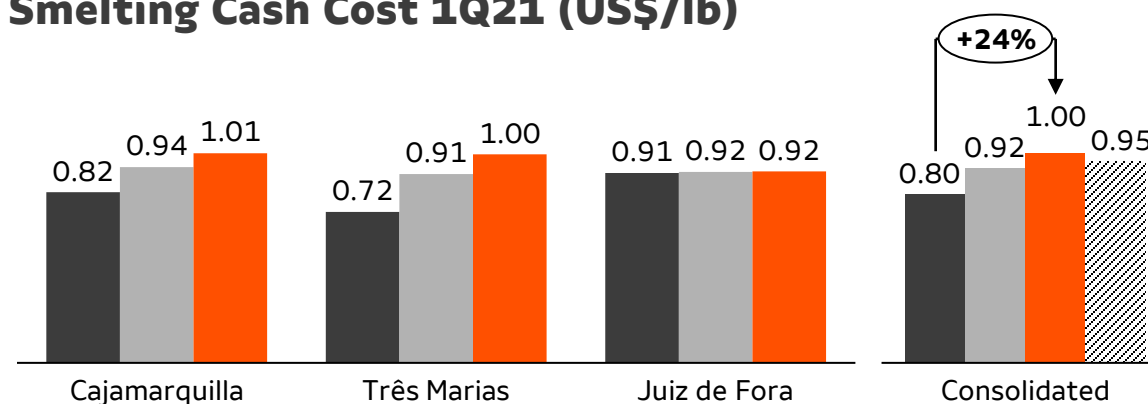
1Q21 results positively impacted by higher metal price levels (zinc and by-products)



Comments

- **Market related factors** such as prices, TCs and FX had a positive variation impact of US\$25 million.
- **By-products** had a positive variation of US\$4 million.
- **Expenses impacted negatively by environmental provision** in Três Marias (US\$6 million).
- **Cash cost in 1Q21** of US\$1.00/lb compared to US\$0.80/lb in 1Q20.

Smelting Cash Cost 1Q21 (US\$/lb)

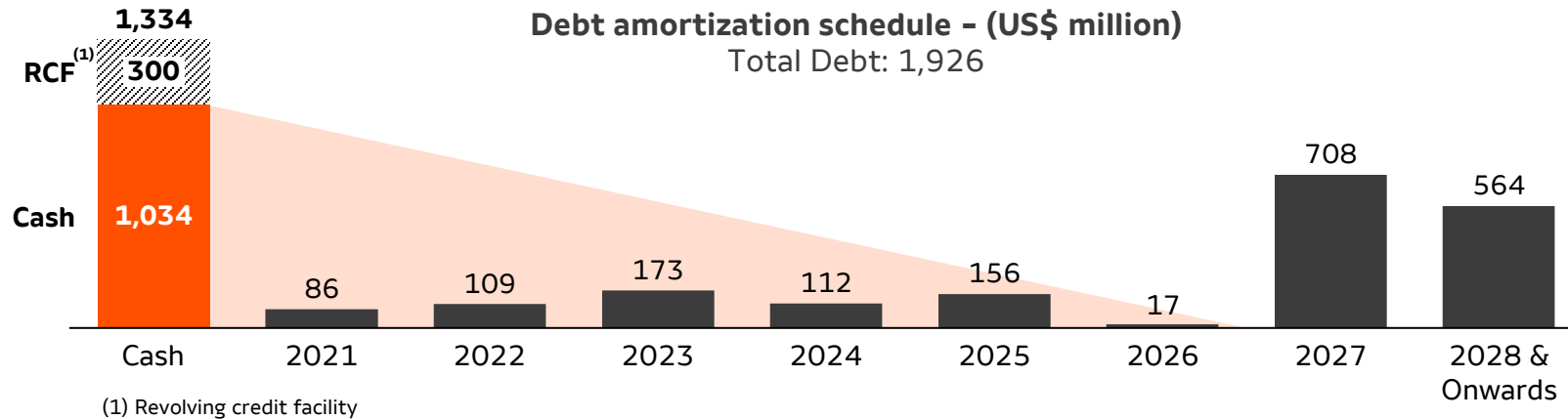


⁽¹⁾ Includes: Other income and expenses and Project Evaluation

Liquidity and Indebtedness

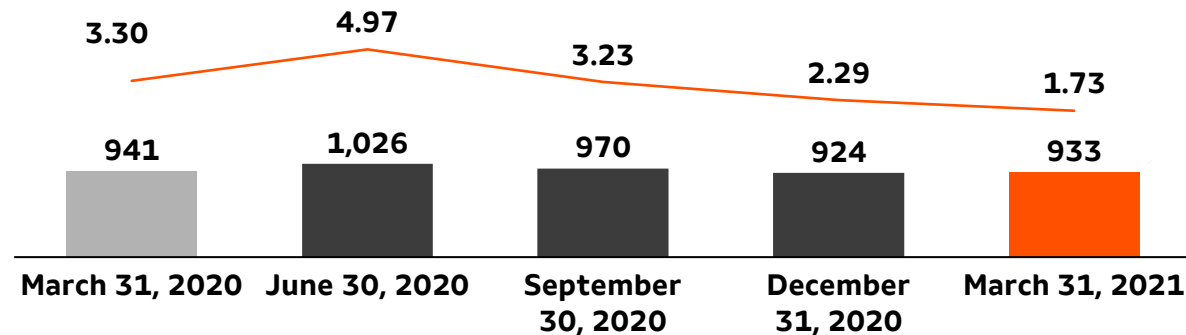
Debt profile (as of March 31, 2021) – (Pro-forma)

Average debt maturity: 5.3 years @4.69% avg. cost



Net Debt⁽²⁾/LTM Adj. EBITDA driven by:

- Higher Adj. EBITDA

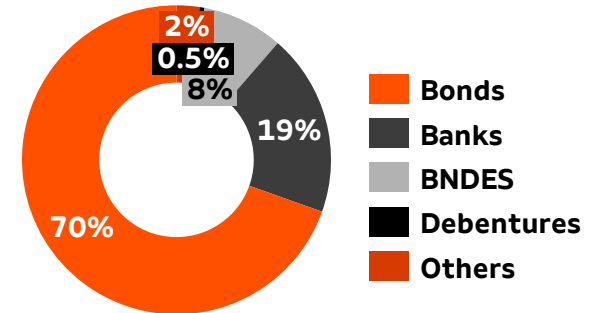


Nexa successfully obtained waivers in respect of certain financial covenants

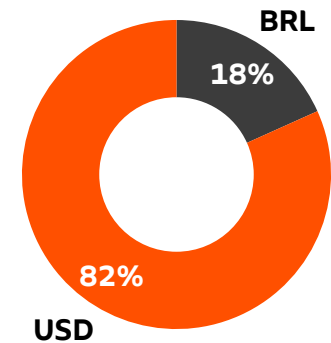
Extended debt profile. Only 4.5% (US\$86 million) of the total debt matures in 2021 and 29.5% (US\$567 million) matures between 2022 and 2026, while **66.1% (US\$1,272 million) of total debt matures after 2027.**

⁽²⁾ Gross debt (US\$1,926 million) minus cash and cash equivalents (US\$1,006 million), minus financial investments (US\$28 million), plus derivatives (US\$18 million), plus Lease Liabilities (US\$23 million).

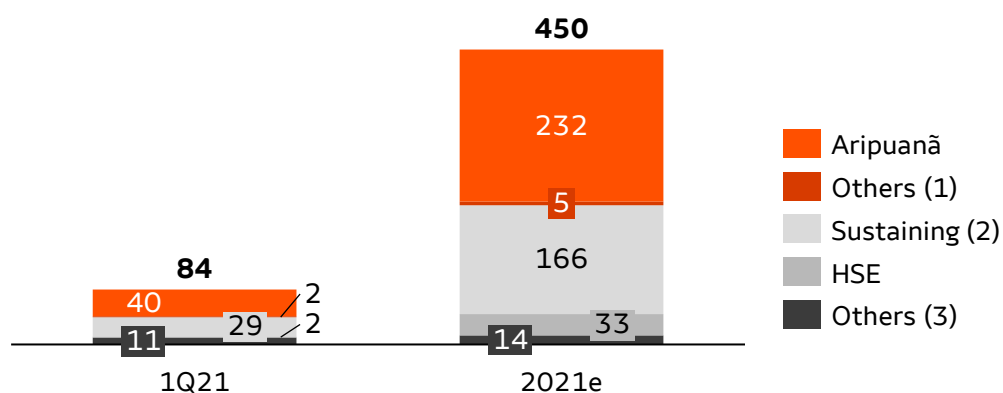
Gross debt by Category



Gross debt by Currency



Capital expenditures

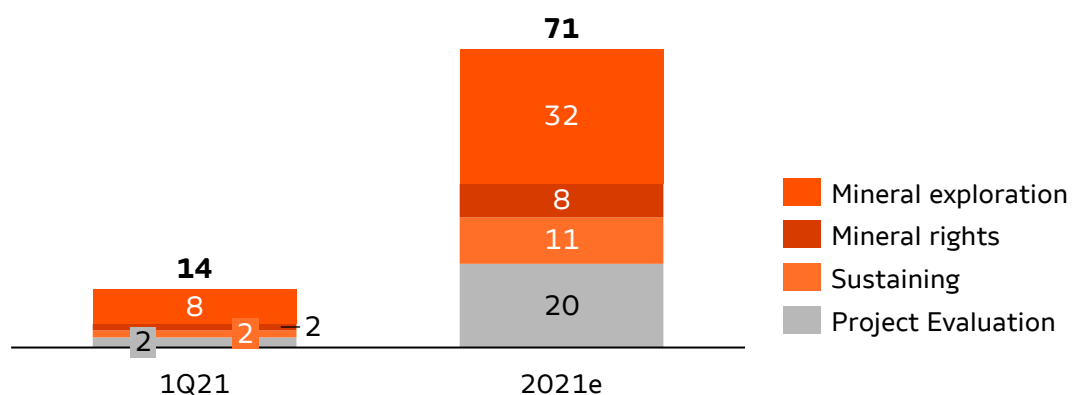


CAPEX totaled US\$84 million in 1Q21.

- Aripuanã amounted to US\$40 million
- Essential sustaining (including HSE) investment of US\$31 million

2021 estimated CAPEX of US\$450 million remains unchanged.

Exploration and Project evaluation



Exploration and Project Evaluation expenses in 1Q21 amounted to US\$14 million.

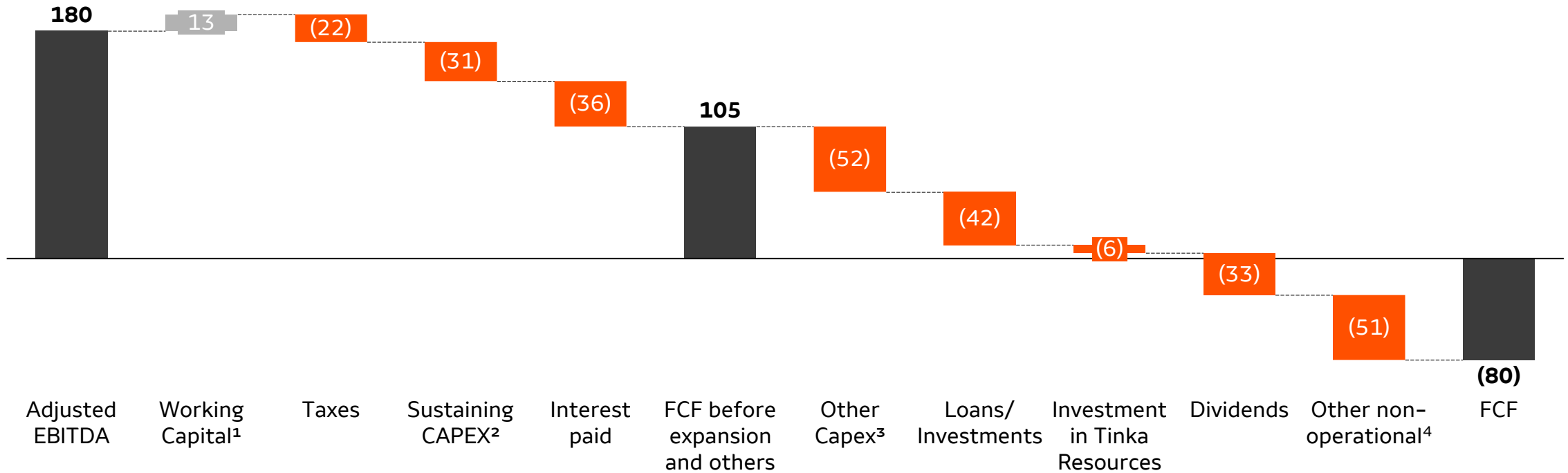
Investments are expected to accelerate next quarters.

2021 guidance is maintained.

⁽¹⁾ Including Vazante LOM extension, Magistral FEL3 and Bonsucesso FEL3 studies completion. ⁽²⁾ Investments in tailing disposal are included in sustaining expenses. ⁽³⁾ Modernization, IT and others; including reconciliation of US\$10 million mainly related to advance payment of imported materials

Cash Flow | 1Q21

US\$ million



*FCF before expansion positively impacted by a **solid operating income***

*We were in a **comfortable balance sheet cash position** to invest in expansion **CAPEX**, pay **dividends** and **loans***

⁽¹⁾ Breakdown available at Financial Statement explanatory note "Changes in operating assets and liabilities". / ⁽²⁾ "Sustaining CAPEX" includes Sustaining, HS&E, Tailing Dams, ⁽³⁾ "Other CAPEX" includes Expansion/Greenfield, Modernization, IT & Others (detailed breakdown available in the Earnings Release). / ⁽⁴⁾ Adjustments to reconcile Adjusted EBITDA to cash income (loss) before income tax.

Market fundamentals and 2021 priorities

Market Fundamentals

Nexa | 2021 priorities



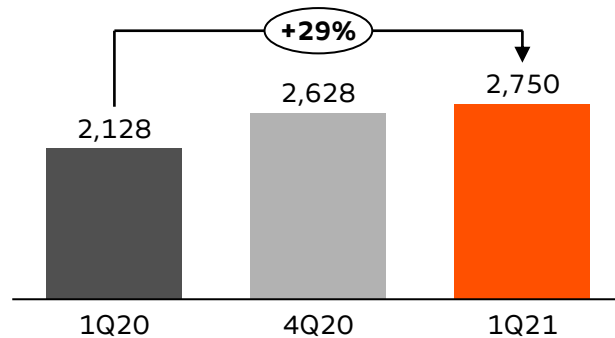
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Market Fundamentals

Base metals have shown a strong performance, which is expected to continue throughout the first half of the year at least, supported by economic stimulus packages and vaccines programs.

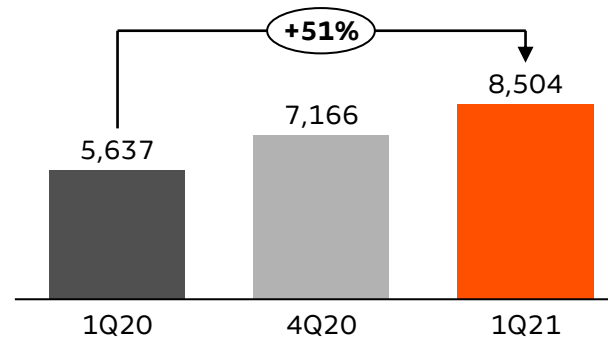
Zinc

LME average price¹
US\$/ton



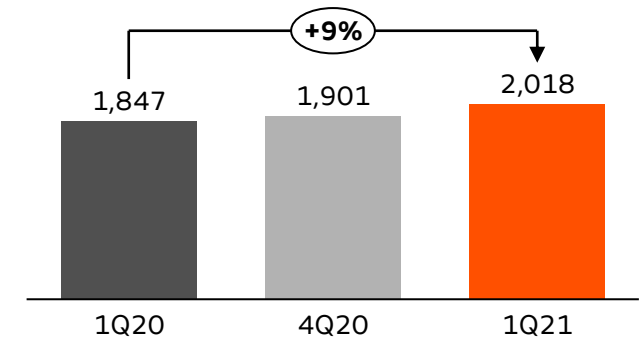
Copper

LME average price¹
US\$/ton



Lead

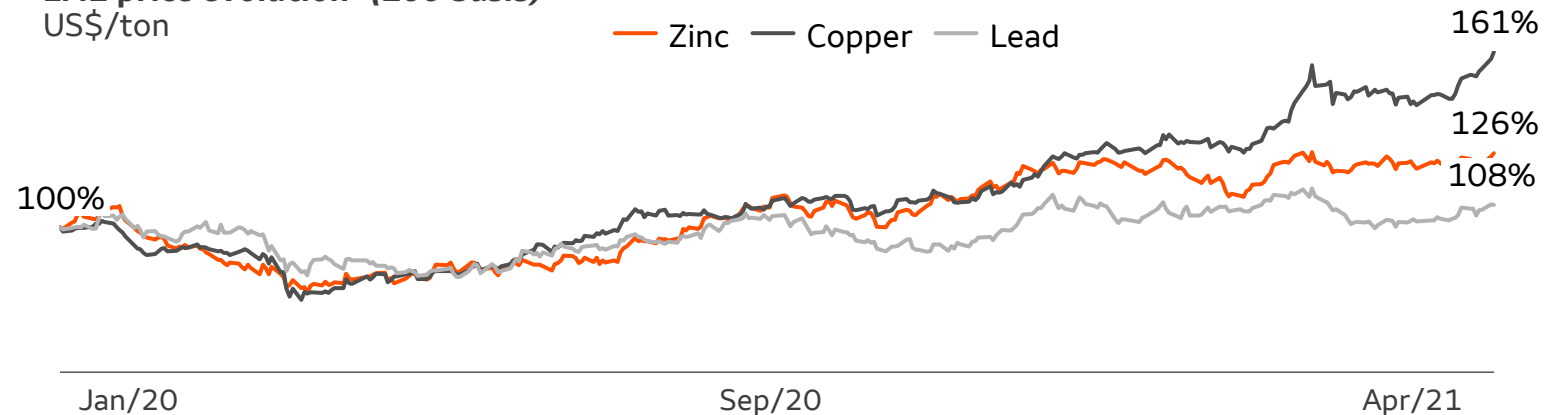
LME average price¹
US\$/ton



Comments:

- **Zinc price** increase continued to be driven by a strong economic activity in China and by a better sentiment towards commodities in general.
- **Copper prices** presented a significant upward curve during the quarter with prices exceeding the US\$9,000/t barrier.

LME price evolution² (100 basis)
US\$/ton



(¹) Based on daily prices, as traded in the London Metal Exchange. (²) Based on daily prices until April 27th, as reported by the London Metal Exchange and Shanghai Futures Exchange.

Nexa | 2021 priorities



Support our host **communities** and local **governments**



Continue capturing gains from our **Nexa Way** program gaining through increased **efficiency, productivity** and **cost reduction** initiatives



Deliver the **construction of Aripuanã's** mine and plant on time and on budget



Continue to deliver on guidance



Financial discipline with focus on **balance sheet** strength and **leverage** ratios **improvement** with market recovery

***We remain positive in industry fundamentals and we're confident
Nexa has a unique position to generate value for all its stakeholders***





thank you

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