



**3Q22 – Results Conference Call
11/14/2022**



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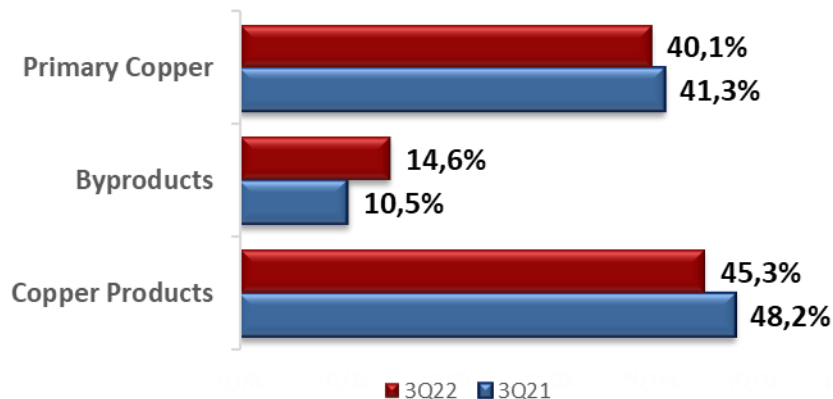
Highlights



- Positive Operating Cash Generation of R\$ 91 million in 3Q22, R\$ 82 million higher than in 3Q21. The Company generated R\$ 255 million in cash year-to-date through its operations and the sale of non-operating assets, R\$ 237 million more than in the first nine months of the previous year.
- Reduction of 6% in Fixed Costs and Idleness in 3Q22 compared to 3Q21, despite the inflationary scenario for the period.
- Reduction of 5% in Selling, General and Administrative (SG&A) Expenses in 3Q22 when compared to the same period of the previous year.
- Increase in the use of recyclable raw material in the production process, which increased from 23.4% in 3Q21 to 34.0% in 3Q22.

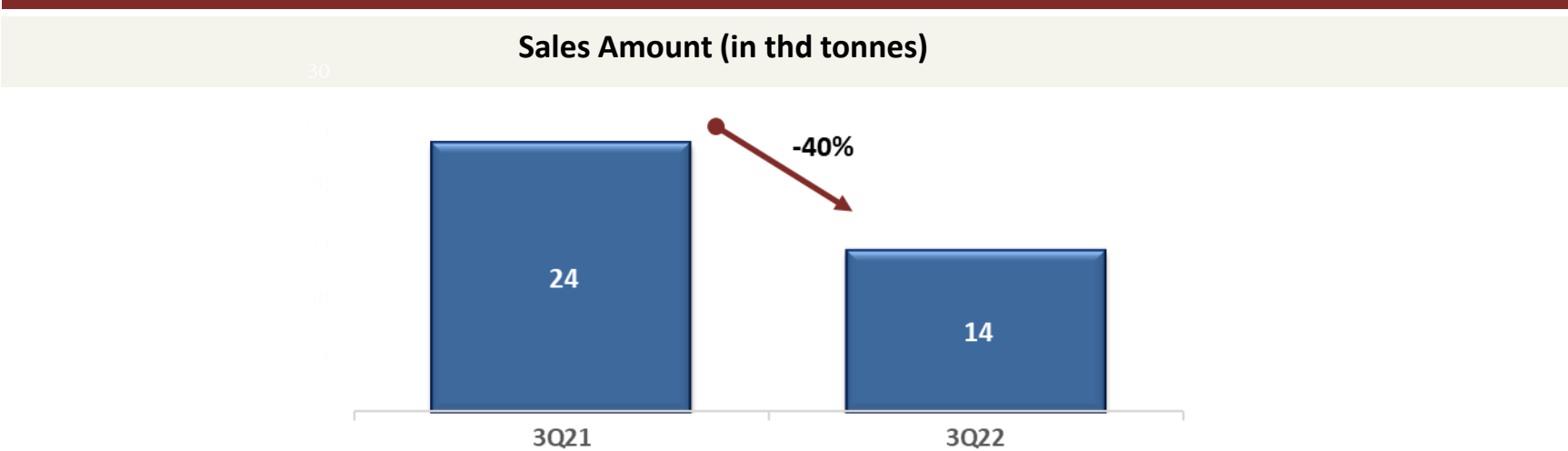
Copper and Byproducts Sales – 3Q22

Sales Mix (% Net Revenue)



Primary copper represented 40.1% of total revenue, providing a faster inventory turnover, contributing to a shorter cash conversion cycle, which was the company's focus in 3Q22.

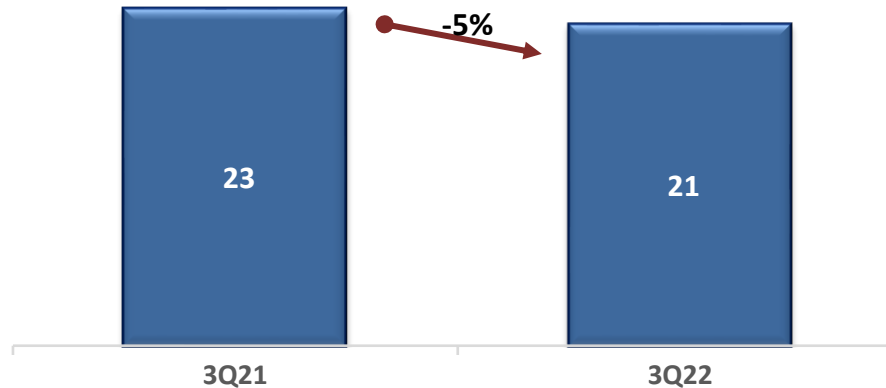
Sales Amount – 3Q22



Reduction in sales volume compared to the same period of the previous year impacted by the Company’s Working Capital restriction and the Scheduled Maintenance Shutdown.

SG&A Expenses – 3Q22

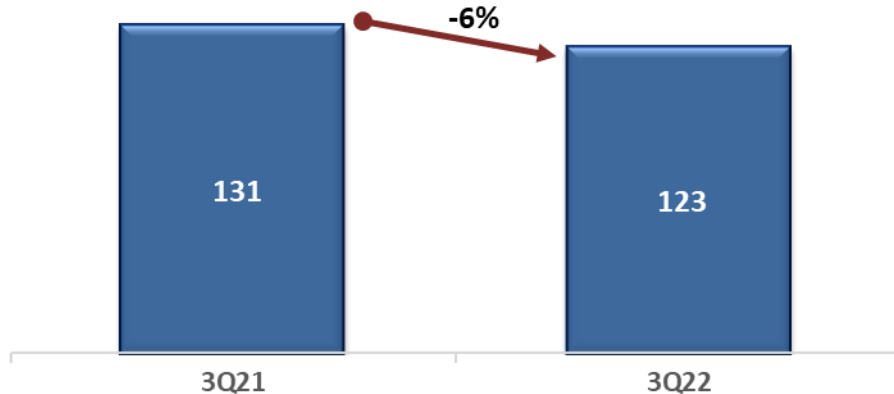
SG&A Expenses (R\$ million)



SG&A Expenses decreased by 5%, compared to the same period of last year despite of the inflationary impact of approximately 7% in the period.

Fixed Costs (including Idleness) – 3Q22

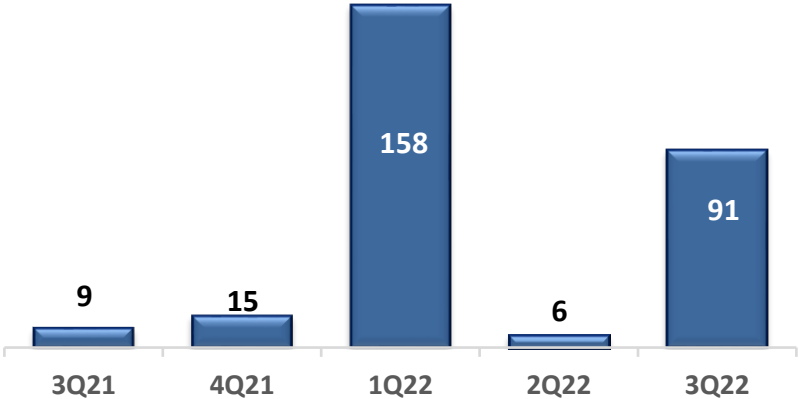
Fixed Costs - including Idleness (R\$ million)



The Company had R\$ 123 million in fixed costs in 3Q22, obtaining a 6% reduction in relation to 3Q21.

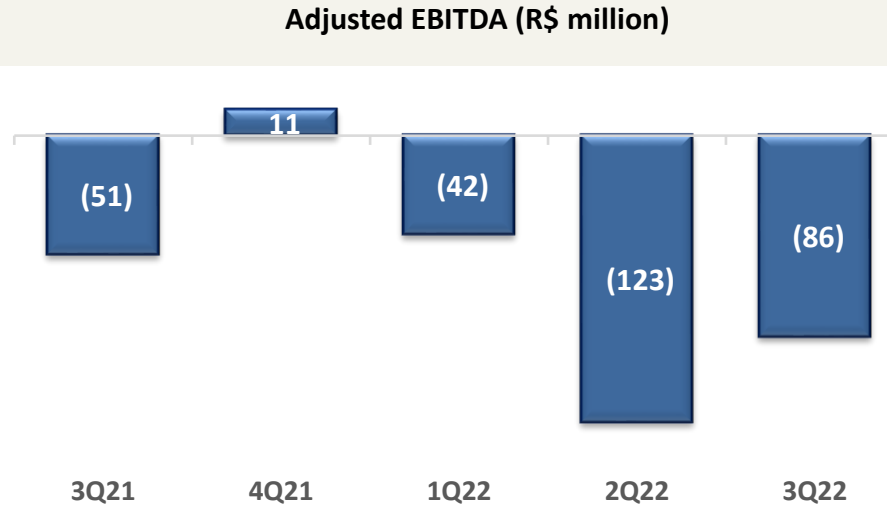
Operating Cash Generation – 3Q22

Operating Cash Generation (R\$ million)



Positive Operating Cash Generation of R\$ 91 million in 3Q22, R\$ 82 million higher than in 3Q21.

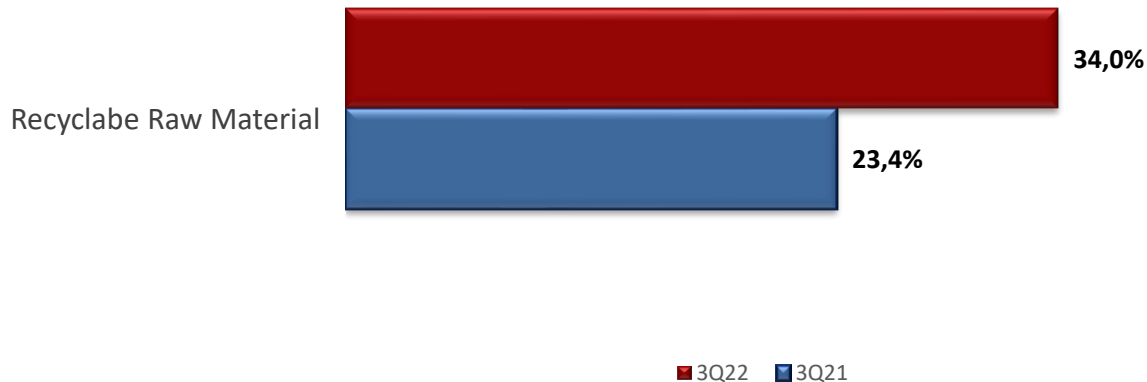
Adjusted EBITDA – 3Q22



Adjusted EBITDA, which excludes the effects of the LME and Dollar on inventory, OCI, contingencies and other non-recurring effects, closed 3Q22 negative by R\$ 86 million, impacted by the decrease in total sales volume, product mix with a relevant proportion of Primary Copper and the reduction in the volume of Byproducts.

Recyclable Raw Material – 3Q22

Raw Material Mix (%)



Increase in the use of recyclable raw material in the production process, which increased from 23.4% in 3Q21 to 34.0% in 3Q22.

A photograph of a steel mill interior. A worker in full protective gear, including a hood and apron, stands on the right side, operating machinery. Molten metal is being poured from a ladle into a mold, creating a bright orange glow. The background shows industrial structures and a sign that reads "ATENÇÃO".

Q&A

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