Notes to Audited Consolidated Financial Statements (in thousands of US dollars, except where otherwise noted For the years endedDecember31.2022 and2021

# 32.

Hudbay is an integrated metals producer.When making decisions on expansions, opening or closing mines as well as day to day operations, management evaluates the results from operating activities of the Company Hudbay's main mining operations are located in Manitoba and Saskatchewan (Canada) and Cusco (Peru) and are included in the Manitoba segment and Peru segment, respectively.The Manitoba and Peru segments generate Hudbay's revenue. The Manitoba segment sells copper concentrate (containing copper, gold and silver), silver/gold dore, zinc concentrate (containing zinc and gold) and other products.The Peru segment consists of Hudbay's Constancia operation and sells copper concentrate and molybdenum concentrate Hudbay's Arizona segment consists of the Copper World project located in Arizona. Corporate and other activities include the Company's exploration activities in Chile and Nevada.The exploration entities are not individually significant, as they do not meet the minimum quantitative thresholds.Corporate activities are not considered a segment and are included as a reconciliation to total consolidated results.Accounting policies for each reported segment are the same as those of the Company. Results from operating activities represents the profit earned by each segment without allocation of corporate costs. This is the measure. reported to the chief operating decision-maker, Hudbay's President and Chief Executive Officer, for the purposes of resource allocation and the assessment of segment performance.Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year ended December 31, 2022 | | | | | | | | |
|  |  | Manitoba | Peru | Arizona |  | Corporate and other activities |  | Total |
| Revenue from external customers | $ | 633,290$ |  | 828,150$ |  | $ |  | $1,461,440 |
| Cost of sales |  |  |  |  |  |  |  |  |
| Mine operating costs |  | 427,402 |  | 419,535 |  |  |  | 846,937 |
| Depreciation and amortization |  | 126,572 |  | 211,043 |  |  |  | 337,615 |
| Gross profit |  | 79,316 |  | 197,572 |  |  |  | 276,888 |
| Selling and administrative expenses |  |  |  |  |  | 33,986 |  | 33,986 |
| Exploration expenses |  | 10,644 |  | 13,359 | 8,657 | 1,851 |  | 34,511 |
| Other expenses (income) |  | 10,981 |  | 16,016 | 6,047 |  | (458) | 32,586 |
| Re-evaluation adjustment- environmental provision |  | (133,460) |  |  |  |  |  | (133,460) |
| Impairment - Arizona |  |  |  |  | 94,956 |  |  | 94,956 |
| Results from operating activities |  | 191,151 $ |  | 168,197$ | 109,660)$ |  | (35,379)$ | 214,309 |
| Net interest expense on long term debt | $ |  |  |  |  |  |  | 67,663 |
| Accretion on streaming arrangements |  |  |  |  |  |  |  | 27,778 |
| Change in fair value of financial instruments |  |  |  |  |  |  |  | 942 |
| Other net finance costs |  |  |  |  |  |  |  | 22,111 |
| Profit before tax. |  |  |  |  |  |  |  | 95,815 |
| Tax expense |  |  |  |  |  |  |  | 25,433 |
| Profit for the year. |  |  |  |  |  |  | $ | 70,382 |

Net interest expense on long term debt Accretion on streaming arrangements Change in fair value of financial instruments Other net finance costs Profit before tax Tax expense Profit for the year