



“Thanks to our efforts, prevention measures and coordinated work, we were able to close 2020 with only two active cases of COVID-19 across all our operations.”



A Word from the Chairman

Dear Shareholders, Employees and Molymet Family:

I would like to begin this letter by expressing my admiration for the way Molymet successfully navigated each of last year's challenges, while reinforcing our resilience, adaptability and capacity to work as a team. We know that the COVID-19 pandemic made it extremely difficult to execute the plans that we had at the time, and that it tested all of our human and professional capacities.

The year 2020 reaffirmed the value of people, who are the heart of this organization. As such, I will begin by extending very special thanks to all our employees and their families in all of the countries where we operate. I am especially grateful to our operations areas, because those individuals have sustained our activity even at the most difficult of times. Due to the nature of our business, many of the employees who work in our plants had to continue to report in-person, and they have responsibly followed health guidelines at all times. They had the support of and immediate changes implemented by the entire Crisis Committee plus an online back office that helped us finish out the year selling over 160 million pounds of molybdenum products around the world.

As Chairman of the Board, I would like to recognize and thank each of our subsidiaries' employees for their responsibility, commitment and affection for our company.

Now that the fiscal year is over, I am happy to inform you that Molymet is one of the leading companies in the world thanks to the effort, care and well-coordinated work of everyone who is part of this beloved company. We were able to close out the year with only two active cases of COVID-19 across all our operations and with results aligned with our sensitized budget. This was the best possible outcome in a context of major global disruption for industries like aeronautics and transport, for which Molibdenos y Metales S.A. is a major supplier.

One year after the last shareholders' meeting, you will see that Molymet has continued to make progress on sustainable development. The company's corporate purpose and brand image have been updated for this new era. As part of this, our Belgian and German subsidiaries changed their names from Sadaci to Molymet Belgium and from Chemiemetall to Molymet Germany. The rest of the organization played a major effort in its new purpose, which is "To create value for the evolution of humanity through products developed by people who think about the wellbeing of the planet."

That purpose is the guide and founding principle of everything we do, and we lean on it day in and day out as we make decisions, meet our strategic challenges and live harmoniously with the communities around us.

In regard to sales, 2020 was a year of good relationships with our ecosystem of mining suppliers, customers and intermediaries. We assertively solved problems, delivering quality products in a timely manner in new markets and to our discriminating customers. This positioned Molymet as the global leader in direct sales of finished molybdenum products by the end of the year. The totals slightly exceeded 100 million pounds of molybdenum content, which is a 26.4% increase over 2019 figures and a historic sales record. That would not have been possible without the financial support and trust of our stakeholders, with whom we agreed upon smart proposals for adapting and navigating an uncertain context.

By the end of the year, our net debt was US\$26.1 million, down from nearly US\$79 million at the end of the 2019 fiscal year. As such, we maintained our investment grade ratings for both local and international markets of BBB- from S&P and BBB from Fitch Ratings for the international market. We should highlight the domestic ratings and maximum rating that Molymet achieved in Mexico, which was upgraded to AAA by Fitch Ratings. Meanwhile, Feller-Rate gave us an AA-rating with a positive outlook in Chile in 2020.

In regard to environmental projects and operational sustainability, we submitted an Environmental Impact Statement entitled "Second Voluntary Reduction of SO₂ Emissions by Modernizing and Strengthening Gas Cleaning and Roasting Facilities at MolymetNos" in 2020 to the pertinent authorities. The first stage of the project will involve an investment of approximately US\$59 million to reduce plant emissions below levels permitted by European

regulations, continuing a tradition of leading the Group's green production processes. In other topics, we delayed the launch of the PurOx Project at the subsidiary Molymet Belgium due to various situations including restrictions imposed due to the pandemic. At Molymet Germany, our new project MoM3—a new line of maximum purity molybdenum production—has been completed and is available to start operations.

On a more personal level, last July Mr. Wolfgang Köck replaced our distinguished board member Mr. Bernhard Schetter, who resigned from our company's Board for personal reasons. We wish to express our gratitude for his great skill, sound judgment and ongoing contribution to the vision of Molymet's future. His wise counsel has become a part of the Molymet culture.

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Moving on to financial matters, we closed the year with EBITDA of US\$114.2 million and profit of US\$47.3 million. Both numbers are somewhat lower than 2019 figures, but are absolutely consistent with what we had forecasted.

Our Board will submit its proposal to shareholders to distribute a dividend of US\$0.20 per share, or 56.21% of total 2020 profit, at the Annual General Meeting. If approved, this dividend will be paid on April 28, 2021.

As part of this new era that has begun, we hope to be able to navigate these challenging times with clarity in order to continue to lead the industry and surprise the world with products designed at MolyMet for the wellbeing of the planet and humanity.

I am proud to preside over the Board of a company with such committed employees and high standards during such difficult times.

Thank you very much.



George Anastassiou Mustakis
Chairman of the Board