



Results by the third quarter 2021

PRESS RELEASE



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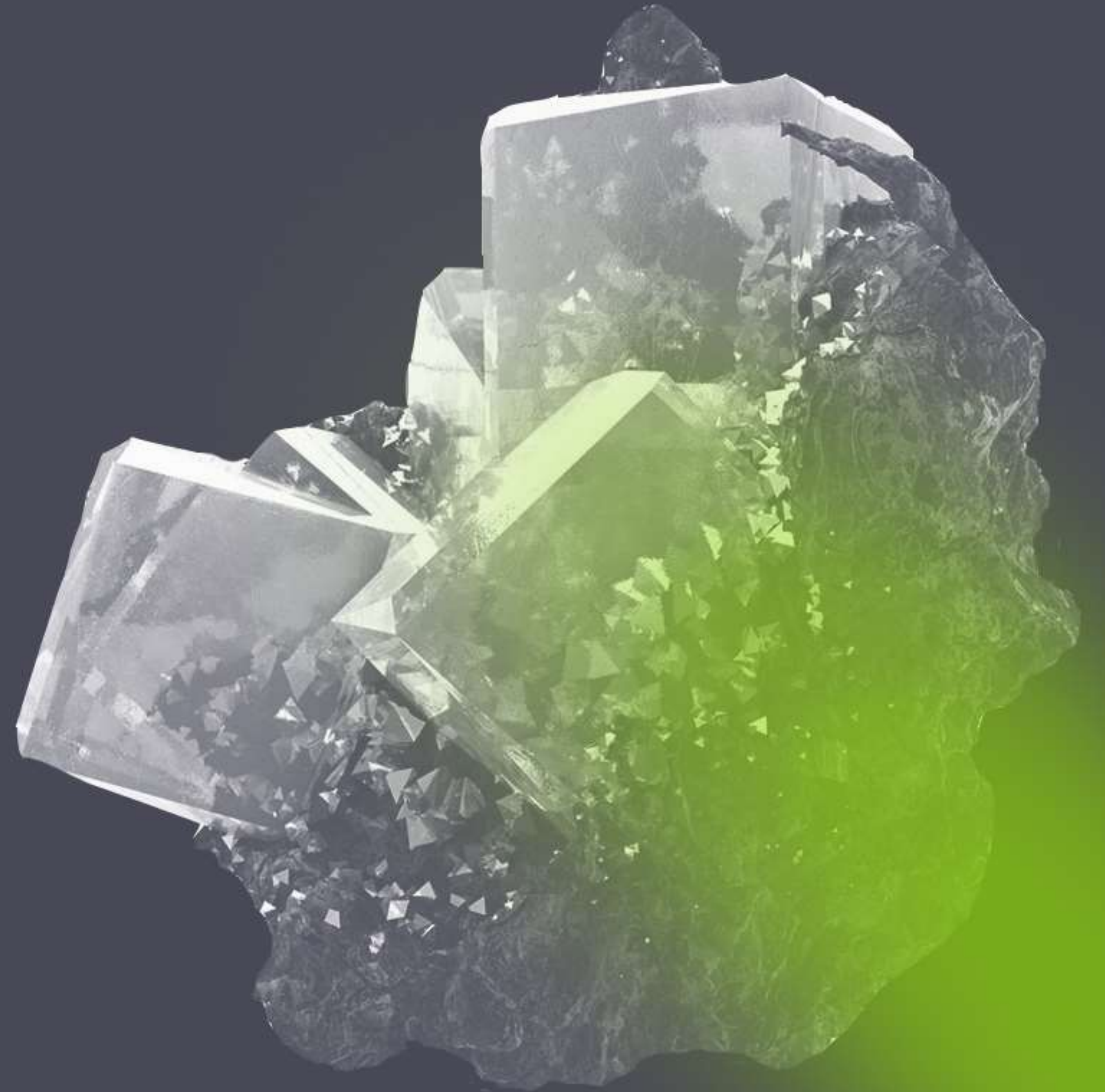
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Chapter 01

Executive summary





105.27

Million pounds totaled the volume of molybdenum products sold by Molymet

EBITDA reached US\$ 154.52 million by September 30, 2021, a **96.27%** increase over the same period in 2020, which was US\$ 78.73 million.

Profit attributable to shareholders of Molymet as of September 30, 2021, was US\$ 81.77 million, an increase over the same period in 2020, which was US\$ 28.05 million. This is mainly explained by the greater commercialization margins as a result of the reactivation of western markets, reflected in a higher demand than molybdenum supply.

Molymet shows a strong business model, a sustainable operating result, holds an adequate liquidity position and has strengthened its leadership position in the global market, where there is a recovery of the activity in molybdenum consumption.

Regarding the international price of molybdenum oxide, in average during the year went from US\$ 8.58 per pound by September 2020, to US\$ 14.85 per pound by September 2021, which meant a **73.08%** increase.

To date, Molymet's commercial commitments have not been interrupted due to this pandemic generated by the coronavirus (COVID-19) and all the company's production plants, MolymetNos and Molynor in Chile, Molymex in Mexico, Molymet Belgium in Belgium and Molymet Germany in Germany, are operating normally.

The volume of molybdenum products sold by Molymet in all its modalities, by September 2021, totaled **105.27 million pounds**, over the 123.46 million pounds sold by September 2020, which meant a **17.28%** decrease. This decrease in volumes was offset by higher commercialization margins.

By September 30, 2021, the liquidity level of the company totaled US\$ 128.08 million, which shows a US\$ 85.07 million decrease over the end of 2020, mainly derived from the increase in the international price of molybdenum oxide, and the payment of dividends to third parties at a consolidated level, from Molymet and the subsidiary Carbomet Energia, for a total of US\$ 27.04 million.

By September 30, 2021, net debt was US\$ 330.19 million. This represents an increase over the US\$ 26.12 million by the end of year 2020.

By the end of September 2021, Molymet maintains its Investment Grade rating in the international market, obtained in 2007. S&P Global Ratings confirmed the BBB- rating of the company, while Fitch Ratings maintained the BBB rating; in both cases with a stable outlook.

On March 31, 2021, Fitch Ratings ratified Molymet Investment Grade rating in the international market. Thanks to our robust business model and financial position, Fitch Ratings ratified Molymet rating in the international scale (BBB) and national AAA for Colombia and Mexico, both with stable outlook, along with increasing the national rating in Chile from AA- to AA, also with stable outlook.



On May 31, 2021, Feller Rate raised Molymet's national scale rating for Chile from AA- to AA in the solvency and bond categories, which responds to an improvement in the company's financial profile due to the decrease in its indebtedness, solid coverage indicators and its robust liquidity position.

Regarding the current debt covenants, these are satisfactorily met by the end of September 2021.

Molymet shows a solid financial structure with appropriate levels of liquidity, a comfortable debt maturity profile and broad access to financing markets. It is worth noting that during 2021, Molymet does not have relevant debt maturities.

As a result of the pandemic caused by the Coronavirus (COVID-19), Molymet has minimized its financial and operational risks, through a comprehensive contingency plan organized by a Crisis Committee, which aims to adopt measures to maintain the operational continuity of the company both in the productive and commercial aspects, prioritizing above all the health and safety of all its collaborators, community and people with whom we interact.

The well-being of our employees is one of the priorities we have as a company, and the actions have been maintained, allowing us to better face this crisis. Additionally, Molymet continues to proactively carry out actions to help the community.

In the financial area, Molymet currently has an adequate liquidity position that has allowed it to meet its financial commitments without difficulties, both with its collaborators and with its creditors and suppliers.

According to the company's financing structure, there are no relevant debt maturities in 2021, so there are no significant financial effects due to the COVID-19 emergency. The cash estimates for the short and medium term allow us to project that the company's financial strength will continue.

At the Ordinary Shareholders' Meeting held on April 20, 2021, it was agreed to distribute the final dividend No. 89 charged to the profits of fiscal year 2020, for a total of US\$ 26.60 million, equivalent to US\$ 0.20 per share.

On April 20, 2021, the Molymet Board of Directors agreed to renew the Company Board, naming misters Raul Álamos L., Nicolás Anastassiou R., José Miguel Barriga G., Boris Buvinic G., Luis Felipe Cerón C., Hernán Cheyre V., Eduardo Guilisasti G., Juan Manuel Gutiérrez Ph., Wolfgang Koeck y Karlheinz Wex. In the board session N°984, on April 21st, 2021, **Mr. Eduardo Guilisasti G. and Mr. Karlheinz Wex** were appointed as **Board President and Vice-president, respectively.**

During 2020, Molymet defined its purpose, which is to **“Generate value for the advancement of humanity through products developed by people who believe in the wellbeing of our planet”**. This is the essence and the basis that defines our identity, mission, values, and it is also the inspiration to think strategically and sustainably about the future.

Liquidity level of the company totaled

**US\$ 128.08
million**

Molymet is dedicated to the development and implementation of a Sustainability Strategy that, in addition to complying with legal regulations, ensures operational continuity and establishes a new way of linking with the community, the environment and the authorities. Additionally, on May 6, 2021, our Third **Sustainability Report** was released, corresponding to the 2020 period, which is published on our website: www.molymet.com.



In line with our purpose of "Generating value for the advancement of humanity" and as part of the Rhenium Market Development Program, the Commercial and Market Development Vice Presidency, together with the Research and Development Management, have launched a Global Open Innovation Challenge.

This contest aims to promote Rhenium's application in the production and uses of Green Hydrogen, given its excellent electro-catalytic characteristics, costs, and sustainability, compared to the precious metals currently used in these systems.

Additionally, throughout this innovation call, we aim to contribute with the decarbonization process of world economies and continue to position Chile as a country rich in renewable energies, highlighting the potential that Green Hydrogen could represent for our economy.

With this call for innovation, Molymet received 37 proposals from different parts of the world for the manufacture of electrolyzers and / or hydrogen fuel cells, based on catalysts containing Rhenium, the four best projects being selected and promoting them to obtain the first functional prototypes.

Throughout the year 2020 and so far in 2021, marked by the pandemic and a global economic crisis, Molymet achieved an important operational and commercial performance, keeping our plants operational and achieving historically high sales volumes. This is thanks to the strong commitment of the Group's collaborators, the company's solid financial position, and a robust business model that positions us as a leading company in the molybdenum and rhenium market.

All this without neglecting the high standards of sustainability, driven by important investment projects in this area.

On June 23, the National Banking and Securities Commission of Mexico ("CNBV") authorized the program for the placement, on a revolving basis, of long-term bond certificates. With this program, Molymet will be able to make one or more issuance of bond certificates for an amount of up to **MXN 6,000 million**, equivalent to **US\$ 300.00 million**, in a term of **5 years**.

In order to maintain and preserve the green areas of a sector of Nos, Molymet, through its subsidiary Inmobiliaria San Bernardo S.A., established the **first Real Right of Environmental Conservation in San Bernardo**, in the Metropolitan Region. This legal instrument establishes the responsibility of environmental conservation where it is committed, among other obligations, to the maintenance and preservation of 123 hectares where there are currently organic walnut plantations, making Molymet the first company to establish this legal figure in the area.

This initiative establishes the obligation to conserve the environmental heritage of the lands surrounding the Molymet facilities, which make up a true green lung in the urban area of Nos. In addition to its preservation, it seeks to promote the development of sustainable agriculture, through walnut trees and organic crops.

Chapter 02

Our Company





Molymet is the main processor of molybdenum and rhenium concentrates in the world, with a share in the global processing capacity of approximately 35% and 70%, respectively.

Today, Molymet has plants in 4 countries: Chile, Mexico, Belgium and Germany, and commercial offices in England, China, United States, Brazil, Peru and Chile.

Molybdenum is primarily used in special steel alloys, where it significantly improves hardness, resistance to high temperatures and corrosion, increases durability and improves machinery efficiency. There are also applications of molybdenum in fertilizers, catalysts, lubricants, among others. The most relevant molybdenum products are technical oxide, ferromolybdenum, ammonium dimolybdate (ADM), pure oxide and metallic molybdenum. Among its processes, Molymet extracts Molybdenum byproducts, being Rhenium the most important.

Its unquestionable leadership in the international market is based on the permanent development of competitive advantages, through technological breakthroughs, efficiency and a great quality and coherent product and services portfolio, managing to meet the demands of its mining, industrial and rhenium clients. Also, its wide international presence has allowed it to achieve a greater integration with its markets, suppliers and clients.

Since year 2007, Molymet maintains an Investment Grade rating.

By the end of September 2021, Molymet's total processing capacity is 207 million pounds of molybdenum per year, which is compared to an approximate worldwide consumption of 546 million pounds of Mo per year. ¹

Molybdenum and Rhenium are considered as high strategic value metals at a global level, due to their valuable technological applications and due to the significant role they play in the global development of mega constructions, urban development, environmental care, more efficient, safe and durable alloys.

Molymet holds a long-term agreement portfolio providing stability to the business. The tolling agreement with Sierra Gorda for 10 years starting on 2014, the one of Kennecott for 3 years starting on 2018 and the one with Codelco for 3 years starting on 2020.

¹They correspond to pounds of molybdenum contained



New Investment projects

On May 29, 2019, the Molymet Board of Directors approved the investment required for the modernization of certain facilities of the Molymet plant located in Nos, San Bernardo, which has been titled “**Roasting Gas Cleaning Systems Modernization**”, in order to modernize gas cleaning processes, making them more efficient and robust.

This project involves an investment of **US\$ 50.60 million**, in a 3 years term, which will be entirely funded with own resources.



On June 23, 2020, Molymet's Board of Directors decided to make an additional economic effort to maximize the contribution to environment care, and with this to the sustainability of operations at Nos, increasing the level of investment planned by **US\$ 8,50 million**, by deciding to install a new acid plant with a higher capacity and maximum SO2 conversion efficiency, resulting in an estimated total investment of **US\$ 59.10 million**.



Geographic Diversification

Molymet has a unique geographic diversification in the industry. The strategic location of its processing plants and commercial offices has allowed it to obtain commercial and supply advantages through a more complete and efficient service for its clients.

In order to preserve the know how developed by the company, Molymet has changed its corporate **Intellectual Property Policy**, including the highest standards in Intellectual Property rights protection, management and compliance, thus adopting the appropriate measures to avoid leaks of this knowledge.

Molymet is a company whose development and growth are based on the use of innovation as a founding process for the addition of processes and technologies, enabling its leadership role in the molybdenum industry. This same innovation capacity has led Molymet to innovate in other strategic metals industries, **seeking business opportunities** allowing for an increase of its product portfolio.

This is how it managed to develop a process which had its invention patent published on March 9, 2017, by the World Intellectual Property Organization under international publishing number WO2017/035675 A1, for the process of removing arsenic from materials that contain it.

The application successfully completed the preliminary examination of international patentability and entered the national phase on March 2nd, 2018, so it entered the application in the countries where the request will be made. **Molymet entered the application in nine countries: Chile, Peru, Mexico, USA, Canada, Bulgaria, Namibia, China and Australia.** Of these countries, the patent was already granted in USA, China and Namibia. The application is under examination by national experts in Chile, Canada and Australia, and progresses normally in the rest of the countries.

Patent application number 201803101 was filed on October 30, 2018, in Chile. Said patent seeks to protect the selective removal process of copper compounds and other impurities on molybdenum and rhenium, from molybdenite concentrates, which was granted in Chile in March 2021. Additionally, the patent application was entered in the United States, Canada, Australia and Peru.





**80 years of
experience**

**Long term
agreements**

**Investment
Grade**

Molymet Belgium subsidiary entered application PCT WO2017/202909 A1 on year 2016. This patent refers to the process observing **modifications to multi-floored roasting ovens developed by Molymet** to improve efficiency in the roasting process. The application was granted in Belgium by August 2018, in the European Union in March 2020 and in China in May 2020; and is under local national phase in the following countries: Canada, Chile, Korea, and the USA. Pursuant to Belgian law, Molymet Belgium subsidiary is granted tax benefits once the patent has been granted.

On April 20, 2021, the Molymet Board of Directors agreed to renew the Company Board, naming misters Raul Álamos L., Nicolás Anastassiou R., José Miguel Barriga G., Boris Buvinic G., Luis Felipe Cerón C., Hernán Cheyre V., Eduardo Guilisasti G., Juan Manuel Gutiérrez Ph., Wolfgang Koeck y Karlheinz Wex. In the board session N°984, on April 21 2021, **Mr. Eduardo Guilisasti G. and Mr. Karlheinz Wex** were appointed as Board President and Vice-president, respectively.

Molymet, through its Real Estate subsidiary, Inmobiliaria San Bernardo, has among its assets a lot of **133.6 hectares**, of which **123 hectares** have organic walnuts. These hectares are located around the Molymet Nos plant, which is located in a **42.9 hectares** lot. Together, both properties reach an approximate total of **176.5 hectares**. In order to maintain and preserve the green areas of this sector of Nos, Molymet constituted the **first Real Right of Environmental Conservation** in San Bernardo, in the Metropolitan Region, in order to maintain and preserve these 123.0 hectares where currently there are organic walnut plantations.

Chapter 03

Summary by the third quarter 2021





Consolidated sales of Molymet totaled, by the end of September 2021, were US\$ 1,047.33 million, which is a 36.37% increase over the US\$ 768.00 million obtained by the end of September 2020.

Profit attributable to Molymet shareholders by September 30, 2021, was **US\$ 81.77 million**, compared to the **US\$ 28.05 million** profits obtained by September 30, 2020, originated mainly as the result of the higher gross profit with respect to the same period of the previous year for **US\$ 84.43 million**.

EBITDA reached **US\$ 154.52 million** by September 30, 2021, an increase of **96.27%** over the same period in 2020, which was **US\$ 78.73 million**. This is mainly due to the increase in gross profits at the end of the period, for **US\$ 84.43 million** over September 2021.

Consolidated net debt increased, going from **US\$ 26.12 million** in December 2020, to **US\$ 330.19 million** in September 2021, that is mainly explained by the fact that cash decreased by **39.91%**, while consolidated debt increased by **91.53%**

Accumulated results

Highlights

SALES
US\$ 1,047.33 million

EBITDA
US\$ 154.52 million

NET DEBT
US\$ 330.19 million





Featured Figures

Accumulated results

Molymet decreased its cash from **US\$ 213.14 million** by December 2020 to **US 128.08 million** by September 2021.

By the end of September 2021, **US\$ 23.23 million** were invested, over the **US\$ 19.99 million** in the same period of year 2020.

By the end of September 2021, Molymet's total processing capacity is **207 million pounds of molybdenum per year**, which is compared to an approximate worldwide consumption of **546 million pounds of Mo per year¹**.

	Q3 2021	Q3 2020	VAR Q3 2021 / Q3 2020 MM USD %	
Sales Income (mm USD)	1,047.33	768.00	279.33	36.37%
EBITDA (mm USD)	154.52	78.73	75.79	96.27%
EBITDA Margin	14.75%	10.25%	-	43.90%
Net Profit (mm USD)	81.77	28.05	53.72	↑
CAPEX (mm USD, without VAT)	23.23	19.99	3.24	16.21%
EBITDA / Financial Expenses	15.81	8.40*	-	88.21%
Net Debt (mm USD)	330.19	26.12*	304.07	↑
Average Mo Price (USD/Lb)	14.85	8.58	-	73.08%

¹ They correspond to pounds of molybdenum contained

* Value by December 2020

Chapter 04

Analysis of results





Q3 2021 vs Q3 2020

04. Analysis of results

Consolidated volume of Molybdenum products sold by Molymet, in all its modalities, by the end of September 2021 was **105.27 million pounds**, compared to **123.46 million pounds** by the same period in 2020. By the end of September 2021, accumulated ordinary revenue totaled **US\$ 1,047.33 million**, which accounts for a **36.37%** increase over the **US\$ 768.00 million** obtained by the end of September 2020.

In terms of the production mix, own sales represent **61.59%** of the total volumes sold of molybdenum products by the end of September 2021.

Variations in the business units of Molymet were the following:

Volumes and Income Summary

	Volumes			Total revenue MM US\$		
	Q3 2021	Q3 2020	Var. %	Q3 2021	Q3 2020	Var. %
Own Sales* (mm Pounds)	64.84	74.17	-12.58%	969.39	688.16	40.87%
Tolling (mm Pounds)	40.43	49.28	-17.96%	42.00	53.94	-22.14%
Rhenium (Pounds)	29,256	20,049	45.92%	23.54	17.00	38.47%
Metallic Mo (mm Pounds)	1.31	1.45	-9.66%	25.33	20.96	20.85%
Byproducts** (Tons)	80,188	93,721	-14.44%	12.40	8.90	39.33%
Efficiencies (Pounds)	127,345	520,305	-75.52%	1.64	4.81	-65.90%

Own Sales includes Metallic Mo and Efficiencies.
**Byproducts includes Copper, Acid and others.

Results by the third quarter 2021



Q3 2021 vs Q3 2020

04. Analysis of results

Own sales volumes totaled 64.84 million pounds by the end of September 2021, decreasing 12.58% over the same period of 2020. Regarding revenues of this business unit, these increased, by September 2021, by 40.87% over the same period in 2020. This increase in income is explained by the increase in the sales of 136.92% for ferromolybdenum, 50.97% for pure oxide Sandy grade, and 53.87% for technical oxide-briquettes, which was partially offset by a decrease in sales of 2.28% for technical oxide-powder.

Tolling volumes totaled 40.43 million pounds by the end of September 2021, decreasing 17.96% over the same period in 2020. Regarding revenue from this business unit, these decreased 22.14% over the same period in 2020. This is mainly the result of a decrease in ferromolybdenum tolling for 21.75%, in technical oxide-briquettes tolling for 31.82%, and in technical oxide-powder tolling for 11.42%.

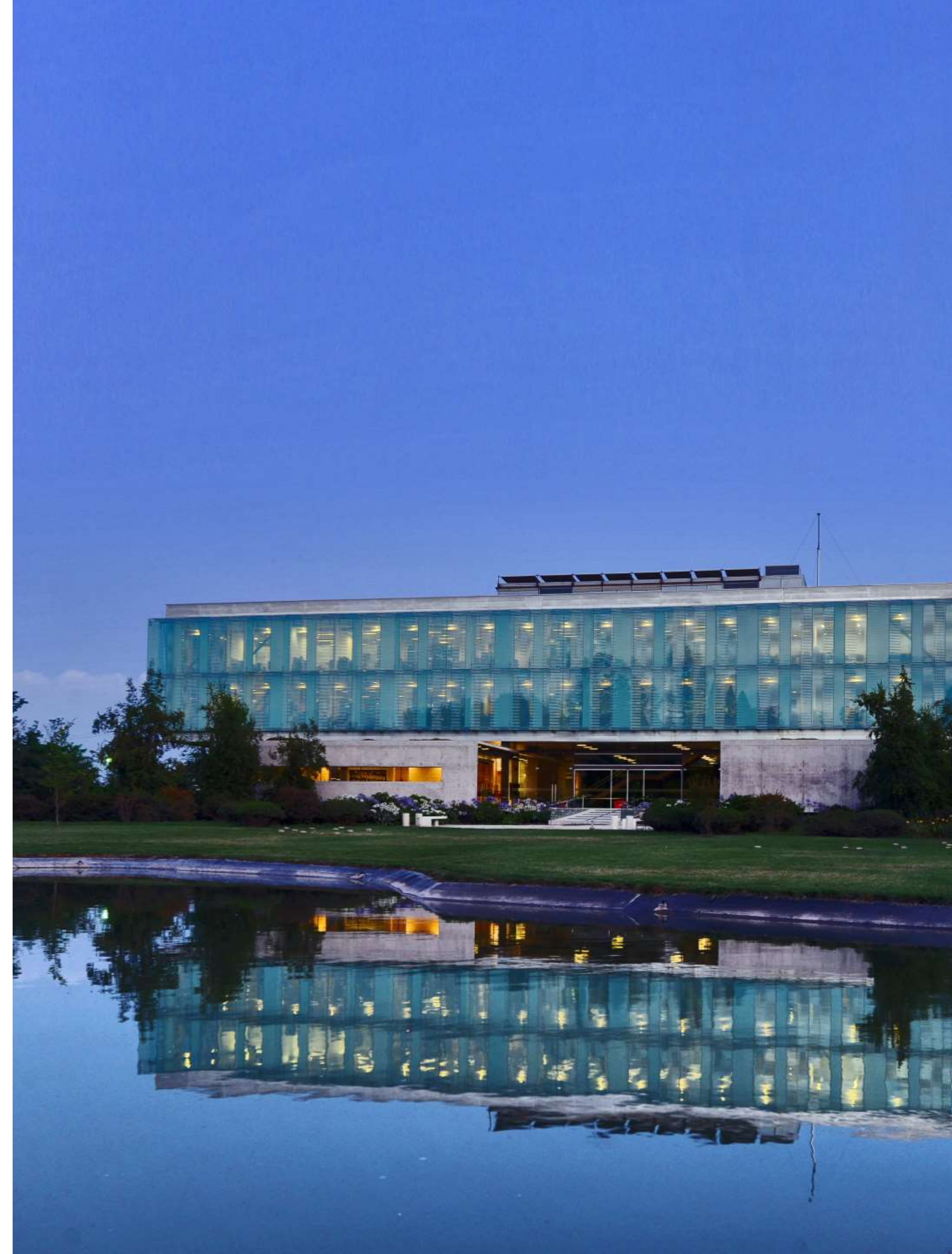
Results by the third quarter 2021

136.92%

Higher revenues from
ferromolybdenum

50.97%

Higher revenues from pure
oxide Sandy grade





Q3 2021 vs Q3 2020

04. Analysis of results

Rhenium sales volumes rose to **29,256 pounds** by the end of September 2021, increasing **45.92%** over the same period in 2020. Regarding revenues of this product, these increased **38.47%** over the same period in 2020.

Metallic molybdenum sales totaled **1.31 million pounds** by the end of September 2021, decreasing **9.66%** over the same period of 2020. Regarding revenues obtained from this product, these increased **20.85%**, over the same period of 2020.

Other byproducts sales volume totaled **80,188 tons** by the end of September 2021, decreasing **14.44%** over the same period in 2020.

Regarding revenues of this business unit, these increased **39.33%** over September 2020.

The sales volume of efficiencies obtained by the company (metallurgic earnings) totaled **127,345 pounds** by the end of September 2021, which is **75.52%** lower than the amount recorded in the same period of 2020.

Regarding revenue obtained, this decreased **65.90%** over the same period of 2020. This is due to a lower volume obtained from efficiencies during 2021 over the same period of 2020.

Results by the third quarter 2021



+80
Years of
experience



Q3 2021 vs Q3 2020

Due to the appropriate commercial performance of the company, Molymet operates under contract terms that greatly minimize the risk of exposure to the price volatility

Regarding the international price of molybdenum oxide, in average during the year, went from US\$ 8.58 per pound by September 2020, to US\$ 14.85 per pound by September 2021, which meant a 73.08% increase.

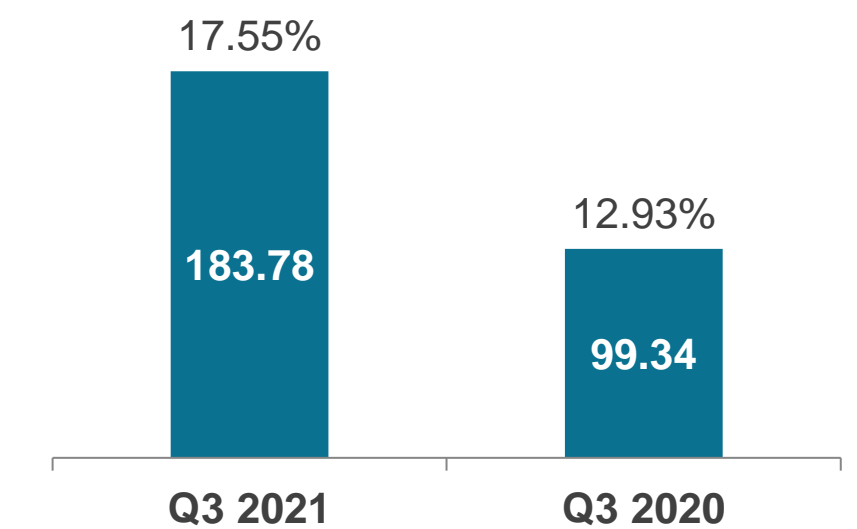
Consolidated cost of sales by September 30, 2021, totaled US\$ 863.56 million, showing an increase of 29.15% over the US\$ 668.66 million registered by the end of September 2020.

By September 30, 2021, gross profit totaled US\$ 183.77 million, which accounts for an 84.99% increase over the US\$ 99.34 million obtained by the end of September 2020, mainly due to higher commercialization margins.

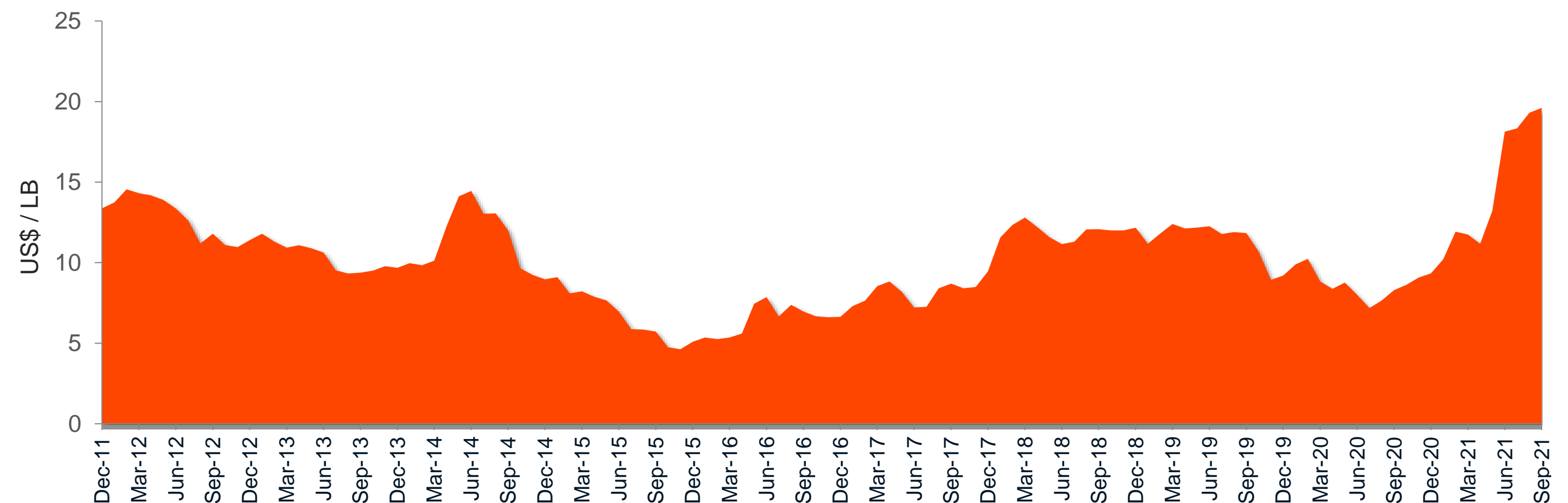
Administration and sales expenses totaled US\$ 43.55 million by the end of September 2021, increasing 31.73% over the same period in 2020. When measured as a percentage over sales revenues, these rose to 4.16% by the end of September 2021.

It is important to note that Molymet holds a stable mid- and long-term client portfolio for its Tolling, Own Sales and Rhenium business units.

GROSS MARGIN AND
GROSS PROFIT
EVOLUTION (MM US\$)



MO AVERAGE MONTHLY PRICES
Metals Week D.O. USA





Q3 2021 vs Q3 2020

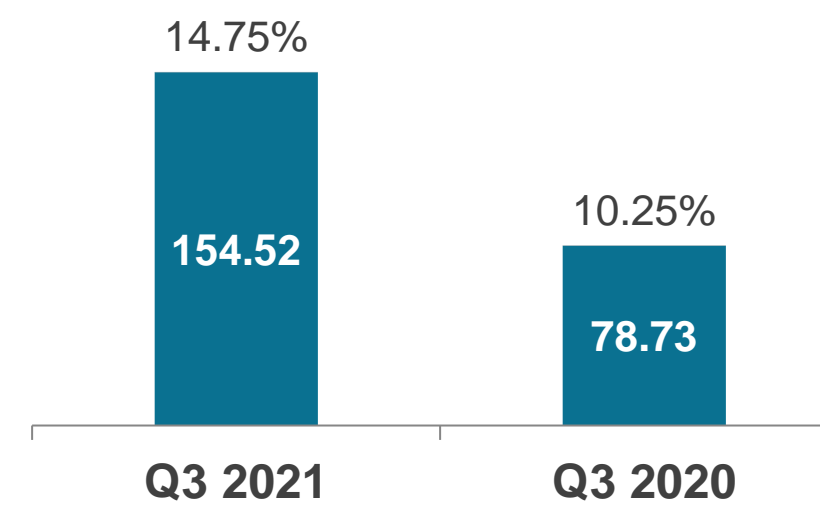
04. Analysis of results

By September 30, 2021, EBITDA totaled US\$ 154.52 million, showing a 96.27% increase over the same period in 2020, which was US\$ 78.73 million. This is mainly due to the increase in gross profit at the end of the period of US\$ 84.43 million compared to September 2020.

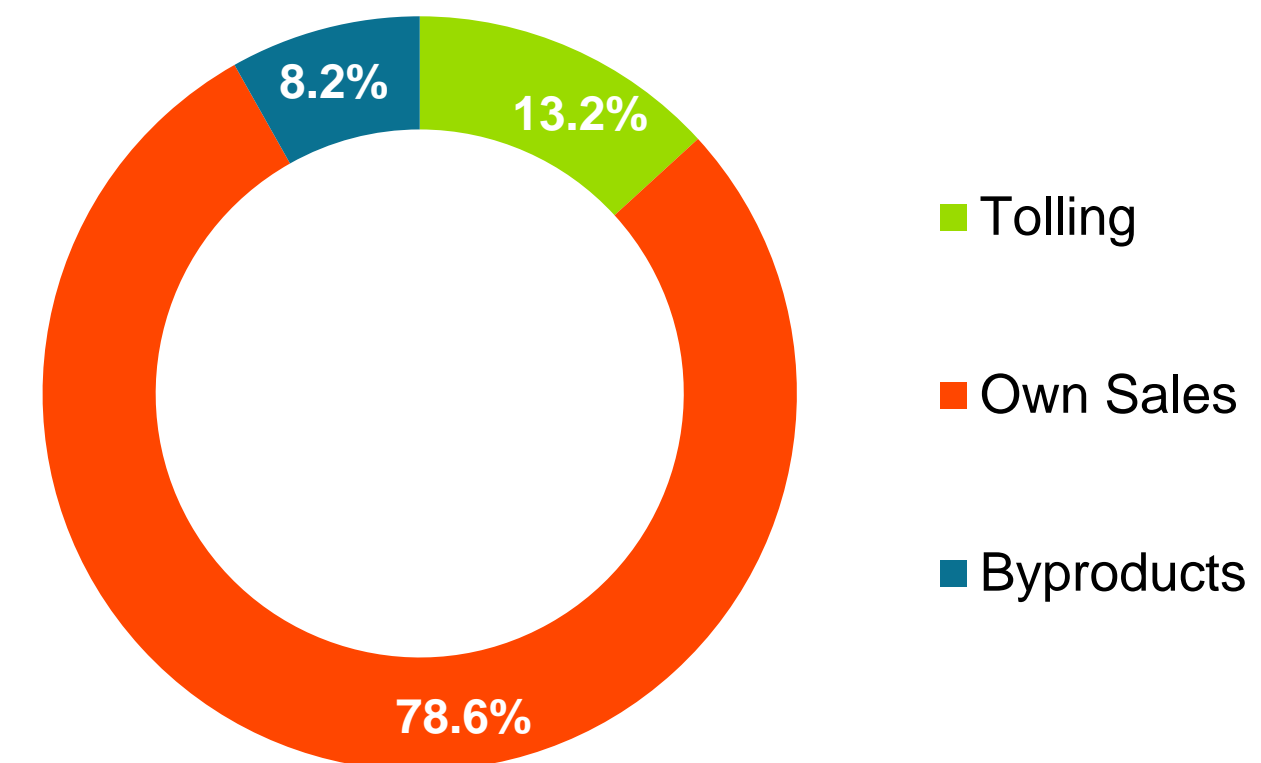
Profit attributable to Molymet shareholders by September 30, 2021, was US\$ 81.77 million, compared to the profits of US\$ 28.05 million obtained by September 30, 2020, originated mainly as the result of the higher gross profit with respect to the same period of the previous year for US\$ 84.43 million.

Results by the third quarter 2021

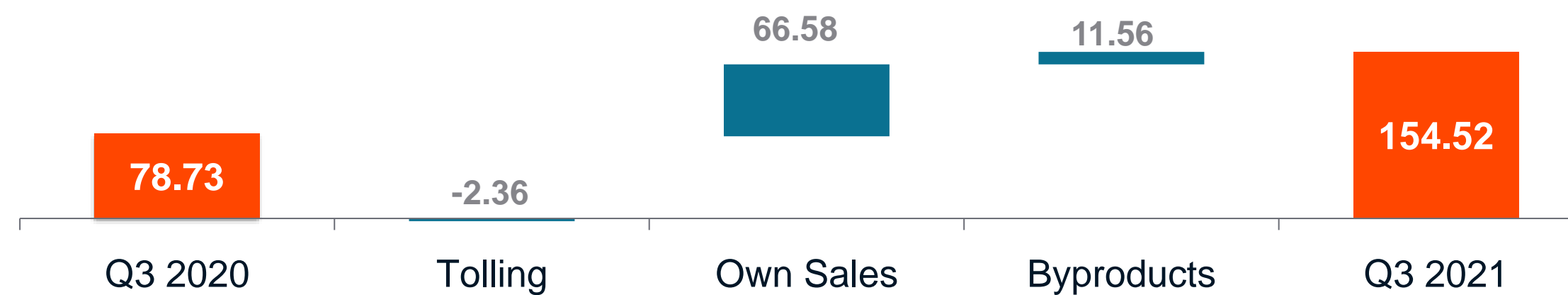
EBITDA MARGIN AND
EBITDA EVOLUTION
(MM US\$)



EBITDA COMPOSITION
Q3 2021



EBITDA COMPOSITION VARIATION
(MM US\$)



Chapter 05

Consolidated balance sheet analysis





By September 30, 2021, total assets of the company show an increase of US\$ 322.24 million over the end of December 2020.

This is mainly due to:

Current assets increased, by September 30, 2021, in US\$ 341.16 million, over the end of December 2020. This mainly reflects upon the increase in current inventories for US\$ 338.22 million, in trade and other receivables for US\$ 98.15 million, and in other current non-financial assets for US\$ 3.47 million, which was partly offset by the decrease in cash and cash equivalent for US\$ 84.59 million, and in current tax assets for US\$ 13.47 million.

Non-current assets show a decrease, by September 2021, of US\$ 18.92 million over the end of 2020, mainly explained by the decrease in non-current inventories for US\$ 17.06 million, in property, plant and equipment for US\$ 2.49 million, and in other intangible assets US\$ 1.46 million. Which was partly offset by the increase in right-of-use assets for US\$ 3.22 million.

FINANCIAL DEBT MATURITY PROFILE
by September 30, 2021 (US\$ MM)





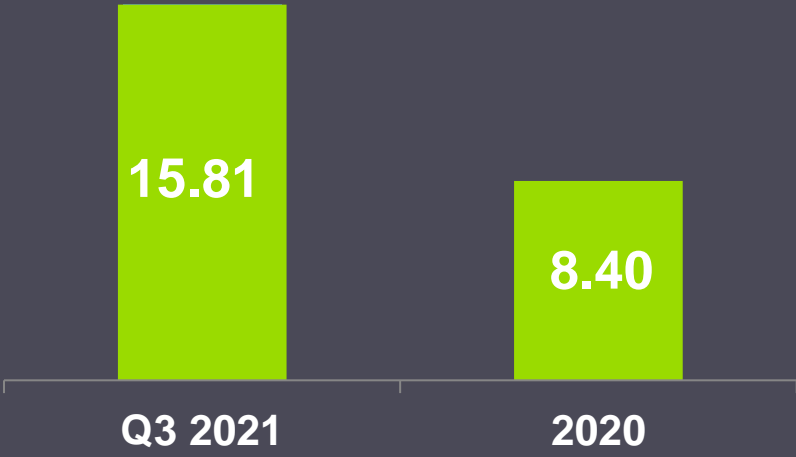
By the end of September 2021, the total of current and non-current liabilities of the company increased **US\$ 295.52 million** over the end of 2020. This is mainly due to:

Current liabilities increased, by September 2021, in **US\$ 351.90 million** over the end of December 2020, mainly explained by the increase in other financing liabilities for **US\$ 270.26 million**, in trade accounts and other payables for **US\$ 56.88 million**, in other current non-financing liabilities for **US\$ 13.96 million**, and in current tax liabilities for **US\$ 7.16 million**.

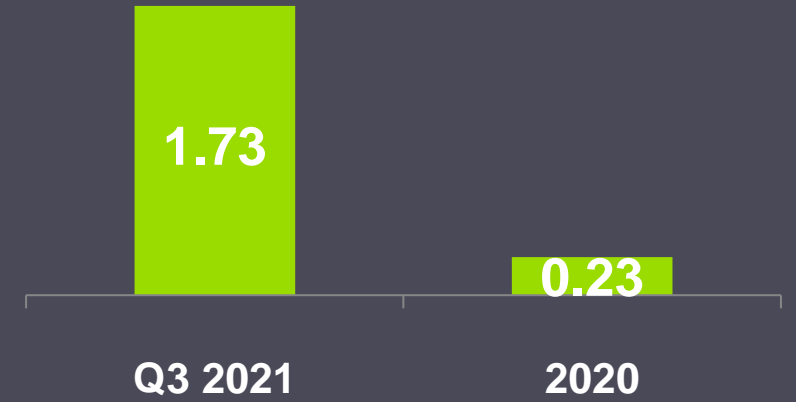
Non-current liabilities decreased, by September 2021, in **US\$ 56.38 million** over the end of December 2020, mainly explained by the decrease in other non-current financing liabilities for **US\$ 51.26 million**, in deferred tax liabilities for **US\$ 4.19 million**, and in non-current employee benefit provisions for **US\$ 3.06 million**, which was offset by the increase in non-current lease liabilities for **US\$ 2.17 million**.

Net equity, by the end of September 2021, recorded a **US\$ 26.72 million** increase over the end of year 2020, mainly explained by an increase in accumulated profits for **US\$ 41.39 million**, which was offset by the decrease in other reserves for **US\$ 14.60 million**.

EBITDA / FINANCIAL EXPENSES



NET DEBT/ EBITDA





Financial Ratios

Net Debt to EBITDA ratio: increased between December 2020 and September 2021, reaching a value of **1.73 times**. The above is due to an increase in net debt in a higher scale than the increase in the annualized EBITDA compared to the end of 2020. It is the management view that this value corresponds to a completely appropriate level for the company.

Debt ratio: increased 48.61% over December 2020, reaching a value of **1.07 times** by September 2021. The above is mainly explained by the result of the liabilities increase in a higher measure than equity compared to the end of 2020.

Short Term Liabilities %: increased from 37.13% in December 2020 to 66.00% by September 2021, mainly due to the increase in other current financial liabilities for US\$ 270.26 million, in accounts payables for US\$ 56.88 million, and in other current non-financial liabilities for US\$ 13.96 million, which translated into an increase in current liabilities for US\$ 351.90 million, compared to a decrease in non-current liabilities of US\$ 56.38 million.

Long Term Liabilities %: decreased, from 62.87% by December 2020 to 34.00% by September 2021, due to the increase in short term liabilities for US\$ 351.90 million, while the long-term liabilities decreased in US\$ 56.38 million, due to the decrease in financial non-current liabilities for US\$ 51.26 million.

EBITDA / Financial Expenses: showed an 88.21% increase going from 8.40 times by the end of year 2020 to 15.81 times by September 2021, which is mainly explained by the greater EBITDA generation, along with lower financial expenses.

Current liquidity: by the end of September 2021 totals 1.91 times, decreasing 46.20% over the 3.55 times by the end of December 2020. The above is explained by the increase in current liabilities, greater than the increase in current assets.

Acid Ratio: decreased, going from 1.81 times by December 2020 to 0.67 times by September 2021, due to the increase in current liabilities, greater than the increase in current assets, and the increase in current inventories for US\$ 338.22 million.

Risk Rating	S&P	Fitch	HR Ratings	Feller-Rate
International	BBB-	BBB	-	-
Mexico	-	AAA	AAA	-
Chile	-	AA	-	AA
Colombia	-	AAA	-	-

Ratio	December 2020	September 2021	VARIATION % 2020 / Q3 2021
Net Debt / EBITDA	0.23	1.73	↑
Debt Ratio ¹	0.72	1.07	48.61%
% Short Term Liabilities	37.13%	66.00%	77.75%
% Long Term Liabilities	62.87%	34.00%	-45.92%
EBITDA / Financial Expenses ²	8.40	15.81	88.21%
Current Liquidity ³	3.55	1.91	-46.20%
Acid Ratio ⁴	1.81	0.67	-62.98%

1 Corresponds to the total liabilities divided by the total equity.
2 Corresponds to the EBITDA divided by the financial expenses.
3 Corresponds to the total current assets divided by the total current liabilities.
4 Corresponds to the total current assets, less the current inventories, divided by the total current liabilities

Chapter 06

About Molymet





Our purpose

At Molymet our purpose is the essence and the basis that defines our identity, mission, values, and it is also the inspiration to think strategically and sustainably for the future.

In this way, we have worked on a strategic agenda focused on a series of challenges that guide our daily work, with their respective guidelines and work focuses, always with the conviction of putting our people at the center. Likewise, their execution is materialized from short and medium-term initiatives connected with our purpose through daily experience, inspiring our collaborators to make it part of their work and thus working with teams aligned around it.

This roadmap reminds us of why we do what we do together with our values and principles that move us in our actions: sustainability, innovation, integrity, significance, confidentiality and excellence.

We generate value for the advancement of humanity through products developed by people who believe in the wellbeing of our planet

Along with the definition of our purpose, we open the way to the renewal of the brand, from which it is possible to communicate it and specify our purpose through actions and initiatives that advance towards continuous excellence in all our processes. All of the above with a permanent innovative and flexible vision, which allows us to understand new contexts and have a positive impact on our environment, consolidating ourselves as transforming agents for the well-being of people.

The change of brand meant the accomplishment of several milestones, such as the launch of the new corporate magazine of Molymet and its subsidiaries, a fundamental communication channel for the company that was renewed in its design, navigation and content. This action is particularly relevant since through it the more than 1,300 employees of the company present around the world are kept updated.

Additionally, an agile action was taken regarding the health pandemic, establishing preventive and safety protocols of very high standards, adapting everything necessary to comply with the corresponding regulations, including the modality of teleworking and safeguarding the health of who are considered risk groups.

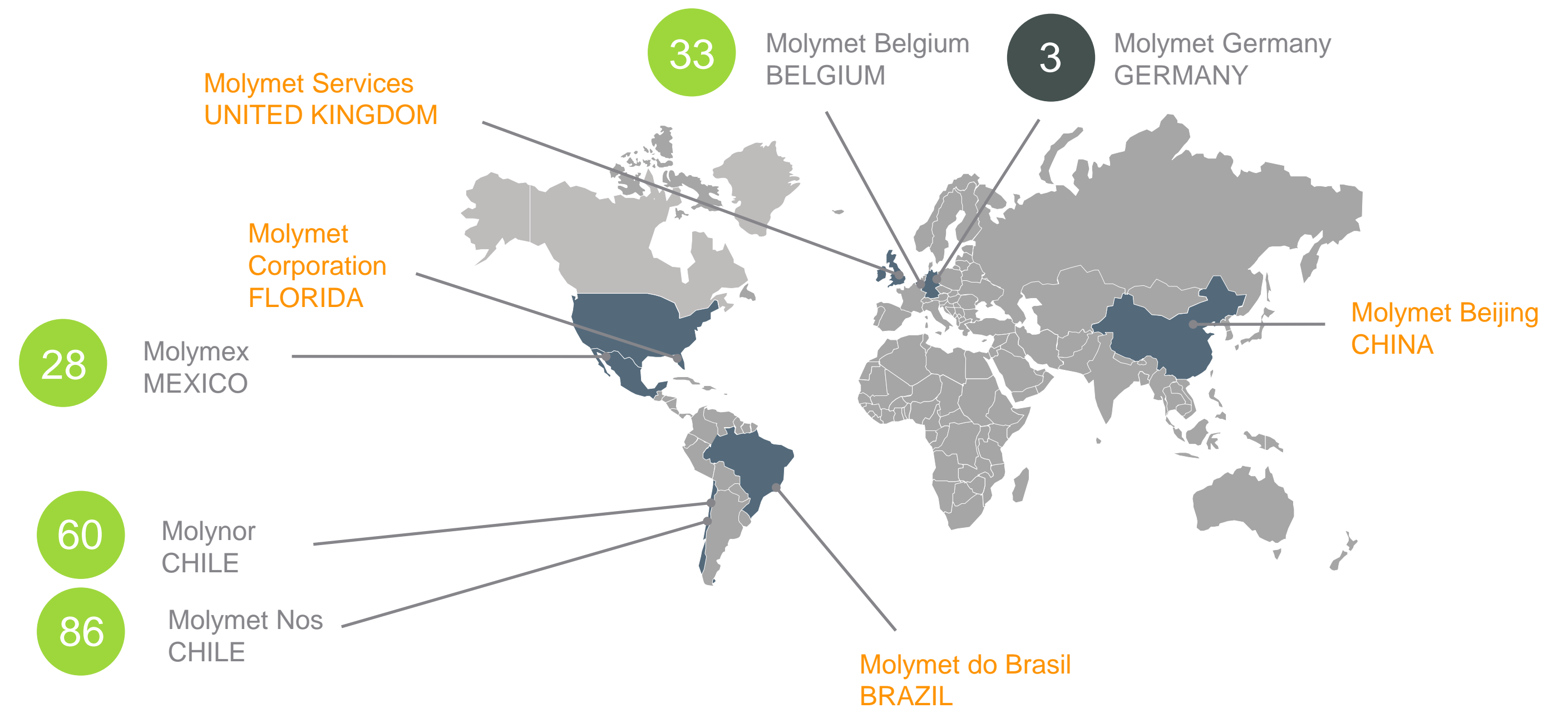
The path that we have decided to build will allow us to continue contributing with talented, committed and proud teams to work at Molymet that, together with all our subsidiaries, will continue to meet our stakeholders, further enhancing our brand globally and reflecting on our daily work the contribution to society always with a view to contributing to a better future.





Largest molybdenum processor in the world (35% of the world's processing capacity).
Sustained increase in the world demand for molybdenum of 3.3%* is expected for the next few years, which may suffer variations according to the evolution of the world economy.

PRODUCTION PLANTS AND COMMERCIAL OFFICES
by September 30, 2021



● Annual Metallic Molybdenum Processing Capacity in million pounds.

● Annual Molybdenum Processing Capacity in million pounds
Total capacity: 207 million pounds

● Production Plants

● Commercial Offices

* Source: IMO.A.



Strategic Pillars

Sustainability

Molymet is focused on the development and starting-up of a **Sustainability Strategy** which, besides complying with legal regulations, allows operational continuity and establishing a new way to connect with the community, environment and authorities.

Within the framework of the implementation of our Sustainability Strategy, corporate guidelines have been developed on the following topics:

- Occupational Health and Safety;
- Relationship with interest groups;
- Suppliers and Contractors;
- Prevention and management of environmental incidents;
- Link with the community; and
- Climate change (risks, emissions, energy, water, materials and waste).

Among the notable milestones in this area is the launch of Molymet's First Sustainability Report at the end of 2018. During 2020, the Second Molymet Sustainability Report was presented, and on May 6, 2021, our third Sustainability Report corresponding to the 2020 period, was released, and is available on our web site www.Molymet.com.

In addition, Molymet also develops the following activities in the area of Sustainability:

- Residue and recycling management, in order to comply with the Recycling Foment Law and the Base Recyclers Policy;
- Facilities Upgrades and Modernization, in order to ensure processes operational sustainability and efficiency;

Digital Transformation

Considered as one of the main aspects of Molymet modernization scheme, the **Digital Transformation Strategy** seeks to apply new capabilities to the company processes and systems, in order to improve efficiency, support sustainability, ensure operational continuity and discover renewed business opportunities.

Within the Digital Transformation roadmap, it can be found projects like **PI System, LIMS, Maximo and Qlik Sense, Biometric access control and SAP Remuneration module**, which allows modernizing the production base and support operational areas as well as people management areas and looking forward to apply more advanced technologies such as **Artificial Intelligence, Machine Learning, Data Analytics** and greater Automatization.

- Sustainability Management from the social, commercial and environmental perspective, materializing a real involvement with stakeholders, establishing actions to avoid corruption acts and supporting communities social, education and development aspects.
- The formation and operation of the Corporate Sustainability Committee, a body in which strategic issues of sustainable management are communicated, including indicators, risk management and ethics, and sustainable contributions from subsidiaries.

Operational Excellence and LEAN Transformation

As part of the strategic pillars of Operational Excellence, in recent months, Molymet has continued to advance its journey of transformation, in order to become a Lean company. In this way, our plants have advanced in the adoption and learning of the **Lean philosophy**, through training, collaborative and multidisciplinary work sessions and promoting the development of our collaborators through the learning-by-doing methodology.

Thus, as to date, we have more than **30 Lean initiatives-projects** in our subsidiaries with the objectives of improving our processes, increasing productivity, ensuring operational continuity and reducing costs, always keeping the focus on the customer.

On the other hand, in operational terms, 2020 and 2021 have been very challenging years in which **we have managed to maintain the operational continuity of our plants**, thereby allowing us to exceed last year's production levels despite the Covid-19 contingency.



Long term relationships with clients and suppliers

- Its production is under medium- and long-term agreements
- Long term relationships with more than 100 clients worldwide.

Efficiency and proper cost management control

Healthy debt levels

Own technology that allows us:

- Better profitability and efficiency.
- Capacity to process low quality molybdenite (unique in the industry).
- Ability to extract byproducts: rhenium, copper, sulfuric acid.



Molymet is constantly concerned about expanding its processing capacity, increasing its efficiency through new technologies

During 2011, the Company moved its corporate offices to a new building in the main plant of Molymet, the Nos plant in Chile. This new building was the first in South America to be awarded with the LEED Platinum certification, and is located in Parque Las Lilas, park with more than 120 years old and surrounded by 123 hectares of walnut trees, which constitutes a lot with a great economic appeal, with a significant future potential.

Houses and landscaping of this park were rescued and remodeled, today becoming part of the company's culture and a source of pride to the city.

Molymet is constantly concerned about expanding its processing capacity, increasing its efficiency through new technologies, offering products tailored to its clients and developing long term relationships with its suppliers and clients, hence achieving the strengthening and consolidation of the company's position, its investors, clients and suppliers.

Unique geographic diversification in the industry. Strategic location of processing plants, achieving advantages in terms of supply and commercial offices near clients of the company, managing commercial advantages through a comprehensive and efficient service.

Of these by products, the most important one for Molymet is rhenium. Rhenium is a transition metal rarely found in nature. Its main uses are when used as a catalyst and in super-alloys in components with high temperature resistances, used in turbines and engines of the aeronautic industry, among others.



Own sales

Molymet buys molybdenum concentrates (molybdenite) and uses its own technology for the treatment and processing of the concentrate, in order to produce a wide variety of molybdenum products (from molybdenum oxide to pure products) and then sell them to various clients in the global market.

Byproducts

As a result of the roasting and oxidation process to which molybdenum must be subject to for its processing, Molymet recovers byproducts that are later marketed. These by products are rhenium, copper cathodes and sulfuric acid.

Tolling

Companies in the mining industry supply molybdenite to Molymet so it is processed and then returned to the companies as a marketable product. A fee is charged for this service.

Efficiencies

Molymet has developed proprietary technology that allows it to improve on its oxidation and roasting processes, so, today, it is able to reduce its metallurgic losses and achieve metallurgic earnings in its processes.





Molybdenum Uses

MAIN BENEFITS OF MOLYBDENUM USE IN STEELS DEVELOPMENT :

- Significantly increases hardness.
- Increases high temperatura resistance.
- Increases corrosión resistance.
- Increases durability.
- Improves machinery efficiency.



MAIN USES FOR OUR PRODUCTS

Main Uses	Technical Oxide	FEMO	Pure MO	Metallic MO	Rhenium
Stainless Steel	✓	✓			
Fertilizers	✓				
Catalysts			✓		✓
Cast Iron	✓				
High Speed Steel	✓	✓		✓	
Super Alloys			✓	✓	✓
Construction Steel	✓	✓			
Lubricants			✓		

Chapter 07

Consolidated Financial Statements





Balance sheet

Assets	09-30-2021 THUSD	12-31-2020 THUSD	VAR % Q3 2021 / 2020
Current Assets			
Cash and cash equivalent	126,206	210,800	-40.13%
Other financing assets, current	1,687	2,151	-21.57%
Other non-financing assets, current	11,107	7,640	45.38%
Trade an Other receivables, current	223,931	125,783	78.03%
Intercompany receivable, current	235	40	↑
Inventories, current	689,429	351,206	96.30%
Biological assets, current	310	658	-52.89%
Tax assets, current	4,792	18,262	-73.76%
Total Current Assets	1,057,697	716,540	47.61%
Non-Current Assets			
Other financing assets, non-current	182	190	-4.21%
Other non-financing assets, non-current	22	21	4.76%
Trade an Other receivables, non-current	157	58	↑
Inventories, non-current	91,986	109,041	-15.64%
Other intangible assets	5,234	6,693	-21.80%
Properties, Plant and Equipment	452,333	454,821	-0.55%
Right-of-use assets	6,799	3,579	89.97%
Deferred tax assets	6,910	8,140	-15.11%
Total non-Current Assets	563,623	582,543	-3.25%
Total Assets	1,621,320	1,299,083	24.80%



Balance sheet

Equity and Liabilities	09-30-2021 THUSD	12-31-2020 THUSD	VAR % Q3 2021 / 2020
Current Liabilities			
Other financing liabilities, current	276,207	5,943	↑
Current lease liabilities	2,194	1,858	18.08%
Accounts and other payables, current	204,008	147,126	38.66%
Tax liabilities, current	14,778	7,620	93.94%
Employee benefit provisions, current	22,150	18,861	17.44%
Other non.financial liabilities	34,261	20,298	68.79%
Total Current Liabilities	553,598	201,706	↑
Non-Curent Liabilities			
Other financing liabilities, non-current	182,060	233,318	-21.97%
Non-Current lease liabilities	4,281	2,110	↑
Other provision, non-current	641	689	-6.97%
Deferred tax liabilities	78,645	82,832	-5.05%
Employee Benefit provisions, non-current	19,572	22,628	-13.51%
Total Non-Current Liabilities	285,199	341,577	-16.51%
Total Liabilities	838,797	543,283	27.56%
Equity			
Share capital	501,952	501,952	-
Retained earnings	310,928	269,537	15.36%
Other reserves	(31,733)	(17,136)	85.18%
Total equity attributable to owners of the parent	781,147	754,353	3.55%
Total equity attributable to non-controlling interests	1,376	1,447	-4.91%
Total Equity	782,523	755,800	3.54%
Total Liabilities and Equity	1,621,320	1,299,083	24.80%



Income Statement

07. Consolidated Financial Statements

Results by the third quarter 2021

Statement of Net Income by Function	09-30-2021 THUSD	09-30-2020 THUSD	VAR % Q3 2021 / Q3 2020
Revenue	1,047,329	768,001	36.37%
Cost of sales	-863,554	-668,665	29.15%
Gross Profit	183,775	99,336	85.00%
Other gains, by function	1,790	1,383	29.43%
Distribution cost	-12,532	-12,414	0.95%
Adminitration expenses	-43,550	-33,059	31.73%
Other expenses, by function	-4,668	-5,480	-14.82%
Other gains (loss)	-589	44	↓
Income from operating activities	124,226	49,810	↑
Financial income	427	1,225	-65.14%
Financial expenses	-9,771	-10,527	-7.18%
Exchange rate differences	-590	612	↓
Income (loss) before income taxes	114,292	41,120	↑
Income tax expense	(31,599)	(12,683)	↑
Income from continuing operations	82,693	28,437	↑
Income	82,693	28,437	↑
Income (loss) attributable to owners of the parent	81,770	28,049	↑
Income (loss) attributable to non-controlling interest	923	388	↑
Income	82,693	28,437	↑

