

**FREE TRANSLATION, FOR INFORMATION PURPOSES ONLY****MOLYMET PARTICIPANTS**

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**PRESENTATION**

**Maximiliano De Tezanos-Pinto** – *MolyMet*

I welcome you to these new earnings call for the third quarter of 2021. As usual, we are the MolyMet team: Jorge Ramírez, CFO, Andrés Ovalle, Corporate Manager of Financial Operations, and Maximiliano De Tezanos-Pinto, Corporate Finance Analyst. Before getting started, I wanted to ask you to keep your microphones silent until the end of the presentation, where we will give time at the end for you to ask questions.

Let's start with the financial performance of the company, this year, to the third quarter, MolyMet sold 105 million pounds of molybdenum products. This is lower than what was obtained in the third quarter of last year, which was an exceptionally good year in terms of the volumes we were able to sell, however, this year the margins were much higher, since last year were sold a greater amount of technical oxide powder, which has lower margins, and this year we have seen a significant increase in the sale of higher value-added products. This brings the company's revenue at the end of this quarter to US\$ 1,047 million, which is super positive news. It represents a 36% increase compared to the previous year, which makes us very happy.

Speaking a bit about net income, at the end of September 2021, this was also higher than that obtained the previous year, reaching a value of US\$ 81.77 million, 192% higher compared to the same quarter of the year past, which as I said before, we are very happy.

The main reasons that lead us to obtaining these levels of income and margins were, the higher margins, the greater penalties for impurities that we charge, and the sale of the main products such as ferromolybdenum, for example, increased their income by 137%, the pure oxide Sandy grade, increased its income by 51%, and the technical oxide in briquettes by 31%, which are super relevant amounts, and this enriched the product mix.

Turning to what was the EBITDA generation, also due to the higher gross profit, it increased significantly, almost 100%, reaching US\$ 155 million, which for even the third quarter is super positive. We have had good years that have closed at these EBITDA levels, which is a great sign of how the moly industry is doing in this post-COVID scenario.

Regarding net debt, it increased. We had a significant increase, since, due to the market price scenario and the nature of the business, there were higher working capital requirements, which is a normal and expected situation in the current market situation. For this reason, we incurred in short-term debt in PAEs loans, and it led to the net debt reaching US\$ 330 million, and the net debt / EBITDA ratio to 1.73 times, which is still a number reasonable. This scenario is momentary, it is not structural, and we have very good expectations for the present and the future.

In this slide, we show you how the EBITDA variation and some financial ratios. Regarding EBITDA, as you can see, the main driver of the increase was the own sales, which is where the greatest variety of products and the highest margins are found and is what mainly explains this great increase.

As I mentioned before, the company's income reached US\$ 1,047 million in the third quarter, net profit US\$ 82 million, EBITDA of US\$ 155 million, capital of US\$ 783 million, the liquidity or cash of the company at the end of September it reached a value of US\$ 128 million, the net debt also, as I said before, reached US\$ 330 million, the assets reached US\$ 1,621 million, and CAPEX of about US\$ 23 million.

Here we can see the ratios, the first (net debt / EBITDA) as I mentioned before, an increase due to the increase in short-term debt, but it was offset by the large generation of EBITDA, and the company's results make us are in a very good position in this sense. Regarding the debt ratio, which is finally total liabilities over equity, it also increased due to this increase in short-term debt, which could not be offset by the increase seen in equity. The EBITDA / Financial expenses ratio increased significantly, reaching 15.81 due to the significant increase in EBITDA and the solid results of the company. With respect to current liquidity and the held ratio, which are liquidity ratios, they decreased due to the increase in current liabilities compared to current assets, both of which increased, and with respect to the held ratio, inventories also increased significantly, since the current price scenario makes the valuation of both our accounts payable, receivable and our inventories increase in magnitude.

We show you how the financial debt maturity profile looks at the end of the third quarter. What changes here with respect to the previous report, as I mentioned before, is the incorporation of PAEs, which are short-term bank loans, less than one year. These credits have very good rates, and do not have stamp taxes. The maturity of these US\$ 50 million in 2021 expire in November, and with respect to the maturity of the other US\$ 150 million, US\$ 10 million expire in January 2022, US\$ 100 million in July, and US\$ 40 million expire in August.

Regarding the scenario of the international price of molybdenum oxide, as you can see, it has increased in the last year. It ranged from US\$ 8.58 per pound average as of September 2020, to US\$ 14.85 per pound average as of September 2021, which is a significant increase of 73%. Finally, this means that the company's working capital needs and cash consumption this year has been higher, but also, on the other hand, the results and the price seen as a reflection of the market situation, not It has led to being in a super good position, with very positive results. It should be noted that our working capital needs vary according to the variation in price, not since it is high or low, and in that regard, what we have seen in recent months is that the price has stabilized, currently having a price of about US\$ 18.7 per pound, and during October and November it has remained at an average of approximately US\$ 19 per pound. Therefore, we expect a stabilization of operational flows and that these will be positive in this scenario of stable prices.

Regarding the relevant events of 2021, on February 15, Mr. John Graell, executive President of Molymet, resumed his functions, who was absent due to personal issues, and in this period, he was successfully replaced by Edgar Pape, who is a senior company executive, current Vicepresident of Operations America, who performed his job perfectly. Since February John Graell resumed his duties fully, for which we are super happy.

On April 20, the Ordinary Shareholders' Meeting of Molymet, had the renewal of the Company's Board of Directors, and there was a change of Director, entering Nicolas Anastassiou, replacing George Anastassiou. Eduardo Guilisasti and Karlheinz Wex, respectively, were also appointed new President and Vicepresident of the board. There was also a change of external auditors, to maintain good corporate practices in this matter, with Deloitte Auditores y Consultores Limitada being the company chosen for the 2021 period, which applies to all affiliates and subsidiaries of the company.

It was also agreed to pay dividends for US\$ 0.20 per share, representing a total of US\$ 26.6 million.

On June 23, the Mexican National Banking and Securities Commission (“CNBV”) authorized the placement program, on a revolving basis, of long-term stock certificates for Molymet. In this program, we are authorized to issue up to MXN 6,000 million, equivalent to US \$ 300 million, in a term of 5 years.

The last essential event, which occurred this week on November 24, the Company's Board of Directors agreed to distribute a provisional dividend charged to the profits of fiscal year 2021, for US\$ 0.20 per share, which will be paid in December. It should be noted that the normal dividend paid in April is paid by the profits of the previous year, so we can see this dividend as an advance of the April dividend. Regarding the dividend policy, a 40% distribution is budgeted, so this dividend represents approximately 30% of the profits for the third quarter, so it is below the amount to be distributed on the normal date.

With this we conclude the presentation of results for the third quarter. If someone has questions or comments, we open the instance to ask them.

We conclude the call for results, we thank everyone for participating and I remind you that the presentation will be published on our website Molymet.com, both in Spanish and English, as well as a transcript of this also in Spanish and English for the next few days. We invite you to participate in the next call for the fourth quarter results. Thank you.