



Results by the second quarter 2022

PRESS RELEASE



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Chapter 01

Executive summary





60.19

Million pounds totaled the volume of molybdenum products sold by Molymet

EBITDA reached US\$ 78.20 million by June 30, 2022, a 25.71% decrease over the same period in 2021, which was US\$ 105.27 million.

Profit attributable to shareholders of Molymet as of June 30, 2022, was US\$ 32.09 million, a decrease over the same period in 2021, which was US\$ 56.79 million. This is mainly explained by the lower commercialization margins.

Molymet shows a robust business model, a sustainable operating result, holds an adequate liquidity position and has strengthened its leadership position in the global market.

Regarding the international price of molybdenum oxide, in average during the year went from US\$ 12.74 per pound by June 2021, to US\$ 18.73 per pound by June 2022, which meant an 47.02% increase.

The volume of molybdenum products sold by Molymet in all its modalities, by June 2022, totaled 60.19 million pounds, over the 72.93 million pounds sold by June 2021, which meant a 17.47% decrease.

By June 30, 2022, net debt was US\$ 447.36 million. This represents an increase over the US\$ 439.22 million by the end of year 2021.

By June 30, 2022, the liquidity level of the company totaled US\$ 235.07 million, which shows a US\$ 77.91 million increase over the end of 2021, mainly due to the issuance of debt in the Mexican market and the positive operating flow.

By the end of June 2022, 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 23, 2022, Fitch Ratings confirmed Molymet's Investment Grade rating in the international market. Thanks to our solid business model and financial position, Fitch Ratings ratified Molymet's ratings on the international scale (BBB) and national AA for Chile with a stable outlook.

On April 12, 2022, S&P Global Ratings ratified Molymet's international scale rating of **BBB-** with a stable outlook.

Regarding the covenants of the current debt, these are fulfilled at the end of June 2022.



Molymet shows an adequate financial structure with appropriate levels of liquidity, a comfortable debt maturity profile and broad access to financing markets.

At the Ordinary Shareholders' Meeting held on April 21, 2022, it was agreed to distribute the final dividend No. 91 charged to the profits of fiscal year 2021, for a total of **US\$ 0.40 per share**, of which **US\$ 0.20 per share** was paid in December 2021 as an interim dividend. On April 28, 2022, the final dividend of **US\$ 0.20 million per share** was paid.

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.

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, in April 2022, our **Fourth Sustainability Report** was released, corresponding to the 2021 period, which is published on our website: www.molymet.com.

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 is enabled 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**.

On December 8, 2021, Molymet placed two bonds in the Mexican market, at 4 and 6 years, for a total of **4,000 million Mexican pesos**, equivalent to **US\$ 191 million**. The respective hedging instruments (cross currency swap) were subscribed in dollars of the United States of America, leaving the bonds issued for **US\$ 120.34 million with a term of 4 years** at an annual rate in dollars of **2.655%** and the remaining **US\$ 70.68 million over 6 years**, at an annual rate in dollars of **3.815%**.

On May 19, 2022, a new bond placement was made in the Mexican market, in the context of the reopening of the MOLYMET 21 and MOLYMET 21-2 lines issued in December 2021. The amount of the reopening was for **2,000 million Mexican pesos**, equivalent to **US\$100.46 million**. The respective hedging instruments (cross currency swap) were subscribed, in dollars of the United States of America, leaving the reopening for **US\$ 50.23 million with a term of 3.5 years** at an annual rate in dollars of **3.995%** (MOLYMET 21) and the remaining **US\$50.23 million at 5.5 years**, at an annual rate in dollars of **3.710%** (MOLYMET 21-2).

Liquidity level of the company totaled

US\$ 235.07 million

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 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 June 2022, Molymet's total processing capacity is 207 million pounds of molybdenum per year, which is compared to an approximate worldwide consumption of 565 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. Among its tolling agreement, the Sierra Gorda contract stands out for 10 years from 2014, Codelco for 3 years from 2020, and Kennecott, which is renewed annually.

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

02. Our Company

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.**

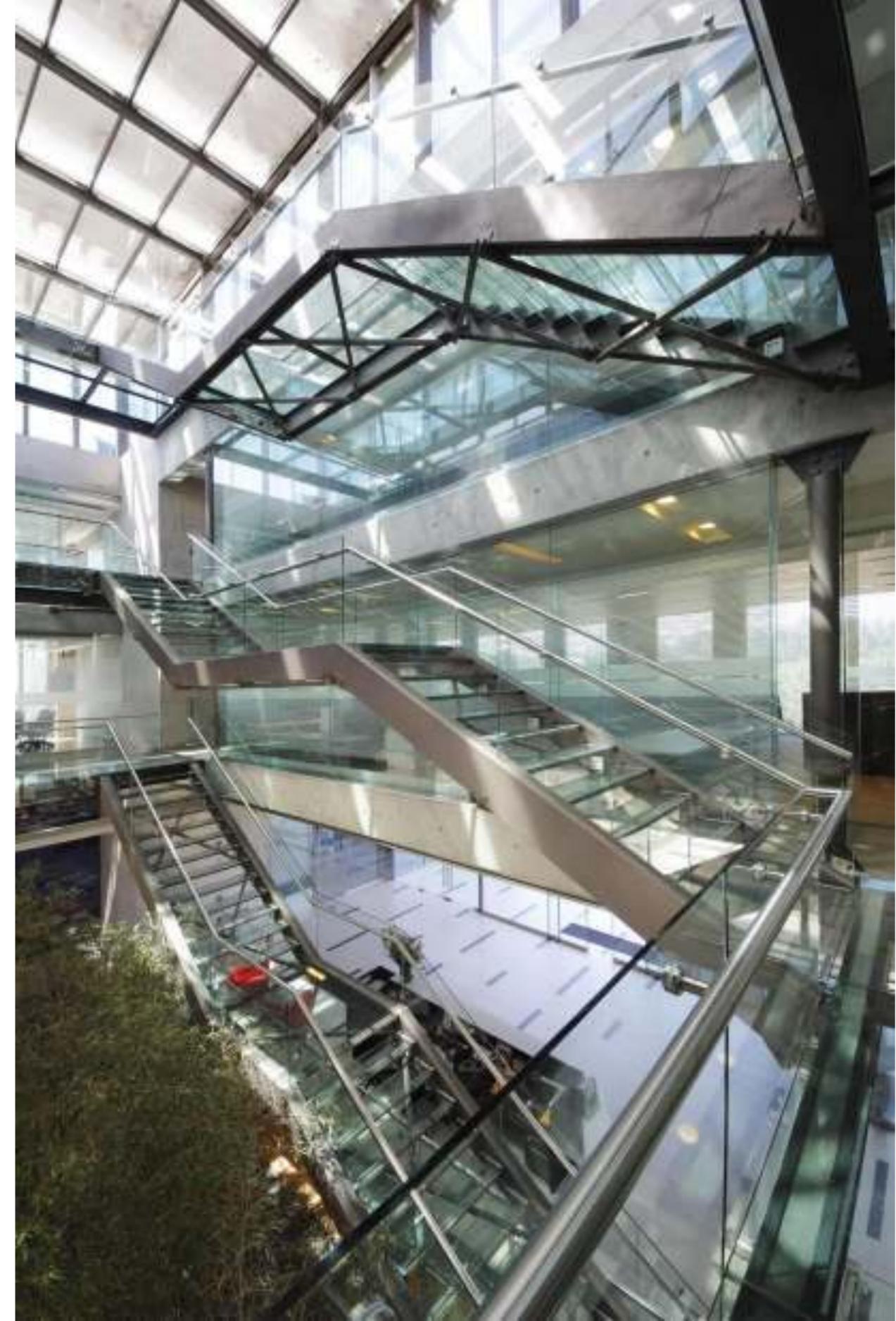
This is how it managed to develop a process which had its invention patent published on March 9, 2017, by the World Intellectual Property Organization under international publishing number WO2017/035675 A1, for the process of removing arsenic from materials that contain it. The patent has already been granted in **Chile, USA, Canada, China, Namibia and Australia.** The application progresses normally in other countries.

Results second quarter 2022

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 and United States. Additionally, the patent application was entered in Canada, Australia and Peru.

Molymet Belgium subsidiary entered application PCT WO2017/202909 A1. 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, China and Spain in 2020, the US, Chile in 2021, and in Korea in 2022, and is in normal process in the other countries. Pursuant to Belgian law, Molymet Belgium subsidiary is granted tax benefits once the patent has been granted.

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 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 second quarter 2022





Consolidated sales of Molymet by the end of June 2022, were US\$ 932.43 million, which is a 44.94% increase over the US\$ 643.34 million obtained by the end of June 2021.

Profit attributable to Molymet shareholders by June 30, 2022, was US\$ 32.09 million, compared to the US\$ 56.79 million profits obtained by June 30, 2021, originated mainly as the result of the lower gross profit with respect to the same period of the previous year for US\$ 37.35 million.

EBITDA reached US\$ 78.20 million by June 30, 2022, a decrease of 25.75% over the same period in 2021, which was US\$ 105.27 million. This is mainly due to the decrease in gross profits at the end of the period, for US\$ 37.35 million over June 2021.

Consolidated net debt increased, going from US\$ 439.22 million in December 2021, to US\$ 447.36 million in June 2022.

Accumulated results

Highlights

SALES
US\$ 932.43 million

EBITDA
US\$ 78.20 million

NET DEBT
US\$ 447.36 million





Featured Figures

Accumulated results

Molymet decreased its cash from **US\$ 157.16 million** by December 2021 to **US 235.07 million** by June 2022.

By the end of June 2022, **US\$ 22.02 million** were invested in projects, over the **US\$ 13.12 million** in the same period of year 2021.

By the end of June 2022, Molymet's total processing capacity is **207 million pounds of molybdenum per year**, which is compared to an approximate worldwide consumption of **565 million pounds of Mo per year¹**.

	Q2 2022	Q2 2021	VAR Q2 2022 / Q2 2021	
			MM USD	%
Sales Income (mm USD)	932.43	643.33	289.10	44.94%
EBITDA (mm USD)	78.20	105.27	-27.07	-25.71%
EBITDA Margin	8.39%	16.36%	-	-48.72%
Net Profit (mm USD)	32.09	56.79	24.70	-43.49%
CAPEX (mm USD, without VAT)	22.02	13.12	8.90	67.83%
EBITDA / Financial Expenses	6.79	13.93*	-	51.26%
Net Debt (mm USD)	447.36	439.22*	8.14	1.85%
Average Mo Price (USD/Lb)	18.73	12.74	5.99	47.02%

¹ They correspond to pounds of molybdenum contained
* Value by December 2021

Chapter 04

Analysis of results





Q2 2022 vs Q2 2021

04. Analysis of results

Consolidated volume of Molybdenum products sold by Molymet, in all its modalities, by the end of June 2022 was **60.19 million pounds**, compared to **72.93 million pounds** by the same period in 2021. By the end of June 2022, accumulated ordinary revenue totaled **US\$ 932.43 million**, which accounts for a **44.94%** increase over the **US\$ 643.33 million** obtained by the end of June 2021.

In terms of the production mix, own sales represent **73.48%** of the total volumes sold of molybdenum products by the end of June 2022.

Variations in the business units of Molymet were the following:

Volumes and Income Summary

	Volumes			Total revenue MM US\$		
	Q2 2022	Q2 2021	Var. %	Q2 2022	Q2 2021	Var. %
Own Sales* (mm Pounds)	44.23	45.59	-2.98%	877.30	593.86	47.73%
Tolling (mm Pounds)	15.96	27.34	-41.62%	23.40	28.24	-17.14%
Rhenium (Pounds)	31,841	13,792	↑	20.63	11.87	73.80%
Metallic Mo (mm Pounds)	0.99	0.78	26.92%	24.30	13.11	85.35%
Byproducts** (Tons)	42,991	59,082	-27.23%	11.10	9.36	18.59%
Efficiencies (Pounds)	273,845	96,820	↑	5.13	0.97	↑

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

Results second quarter 2022



Q2 2022 vs Q2 2021

04. Analysis of results

Own sales volumes totaled 44.23 million pounds by the end of June 2022, decreasing 2.98% over the same period of 2021. Regarding revenues of this business unit, these increased, by June 2022, by 47.73% over the same period in 2021. This increase in income is explained by the increase in the sales of 59.78% for ferromolybdenum, 178.22% for technical oxide-briquettes, 17.59% for technical oxide-powder, and 39.16% for pure oxide Sandy grade.

Tolling volumes totaled 15.96 million pounds by the end of June 2022, decreasing 41.62% over the same period in 2021. Regarding revenue from this business unit, these decreased 17.14% over the same period in 2021. This is mainly the result of a decrease in technical oxide-powder tolling for 14.78%, and in ferromolybdenum tolling for 47.89%, offset against income in technical oxide-briquettes tolling for 0.25%.

Results second quarter 2022

59.78%

Higher revenues from ferromolybdenum

178.22%

Higher revenues from technical oxide-briquettes





Q2 2022 vs Q2 2021

04. Analysis of results

Rhenium sales volumes rose to **31,841 pounds** by the end of June 2022, increasing **130.86%** over the same period in 2021. Regarding revenues of this product, these increased **73.80%** over the same period in 2021.

Metallic molybdenum sales totaled **0.99 million pounds** by the end of June 2022, increasing **26.92%** over the same period of 2021. Regarding revenues obtained from this product, these increased **85.35%**, over the same period of 2021.

Other byproducts sales volume totaled **42,991 tons** by the end of June 2022, decreasing **27.23%** over the same period in 2021.

Regarding revenues of this business unit, these increased **18.59%** over June 2021.

The sales volume of efficiencies obtained by the company (metallurgic earnings) totaled **273,845 pounds** by the end of June 2022, which is **182.84%** higher than the amount recorded in the same period of 2021.

Regarding revenue obtained, this increased **428.87%** over the same period of 2021. This is due to the higher international price of Mo oxide during 2022 over the same period of 2021.

Results second quarter 2022



+80

Years of experience



Q2 2022 vs Q2 2021

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\$ 12.74 per pound** by June 2021, to **US\$ 18.73 per pound** by June 2022, which meant a **47.02%** increase.

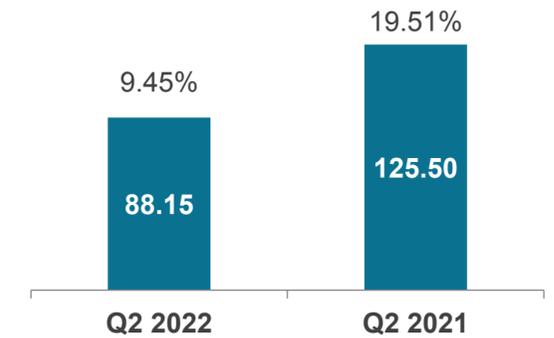
Consolidated cost of sales by June 30, 2022, totaled **US\$ 844.28 million**, showing an increase of **63.04%** over the **US\$ 517.83 million** registered by the end of June 2021.

By June 30, 2022, gross profit totaled **US\$ 88.15 million**, which accounts for an **29.76%** decrease over the **US\$ 125.50 million** obtained by the end of June 2021.

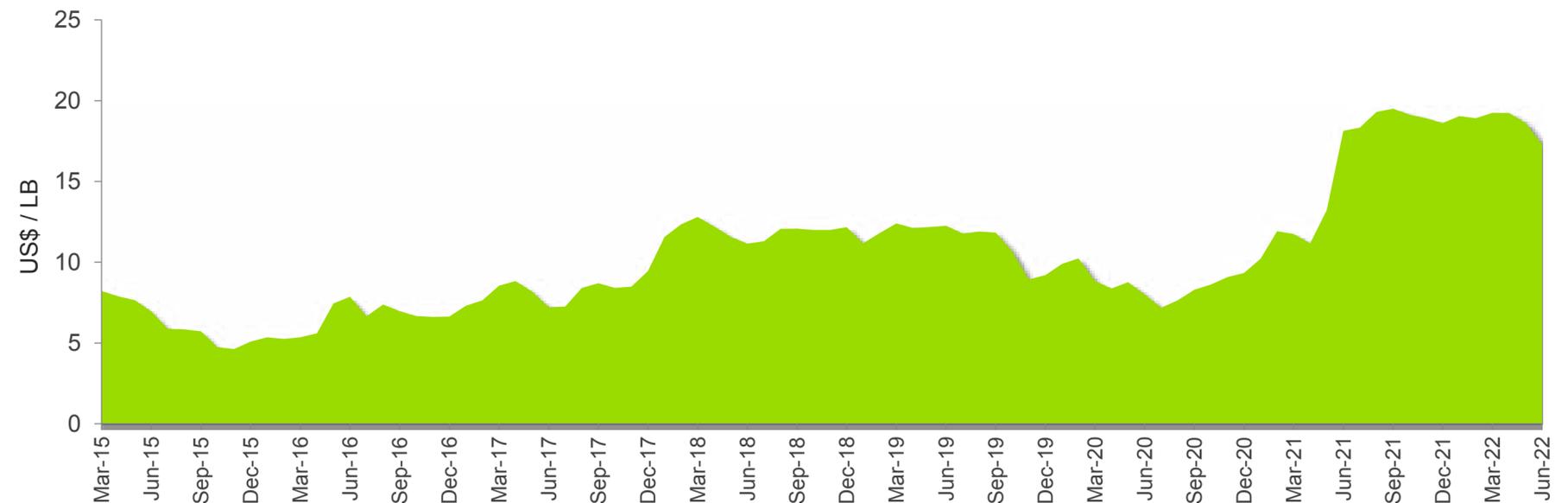
Administration and sales expenses totaled **US\$ 24.14 million** by the end of June 2022, decreasing **18.54%** over the same period in 2021. When measured as a percentage over sales revenues, these rose to **2.59%** by the end of June 2022.

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 (MM US\$) EVOLUTION



MO AVERAGE MONTHLY PRICES Metals Week D.O. USA





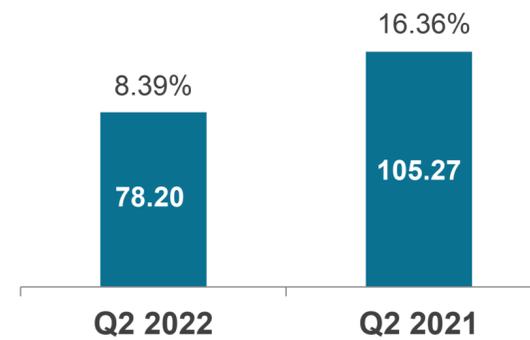
Q2 2022 vs Q2 2021

04. Analysis of results

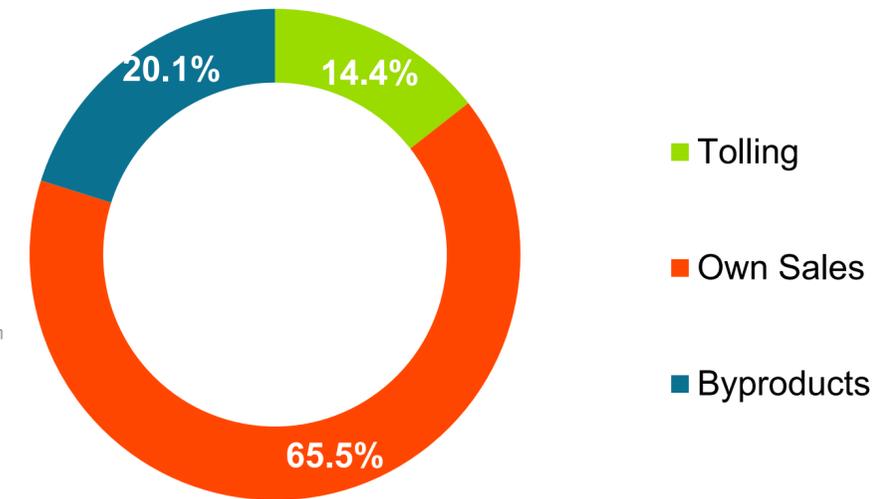
By June 30, 2021, EBITDA totaled US\$ 78.20 million, showing a 25.71% decrease over the same period in 2021, which was US\$ 105.27 million. This is mainly due to the decrease in gross profit at the end of the period of US\$ 37.35 million compared to June 2021.

Profit attributable to Molymet shareholders by June 30, 2022, was US\$ 32.09 million, compared to the profits of US\$ 56.79 million obtained by June 30, 2021, originated mainly as the result of the lower gross profit with respect to the same period of the previous year for US\$ 37.35 million.

EBITDA MARGIN (%) AND EBITDA (MM US\$) EVOLUTION



EBITDA COMPOSITION Q2 2022



EBITDA COMPOSITION VARIATION (MM US\$)



Results second quarter 2022

Chapter 05

Consolidated balance sheet analysis





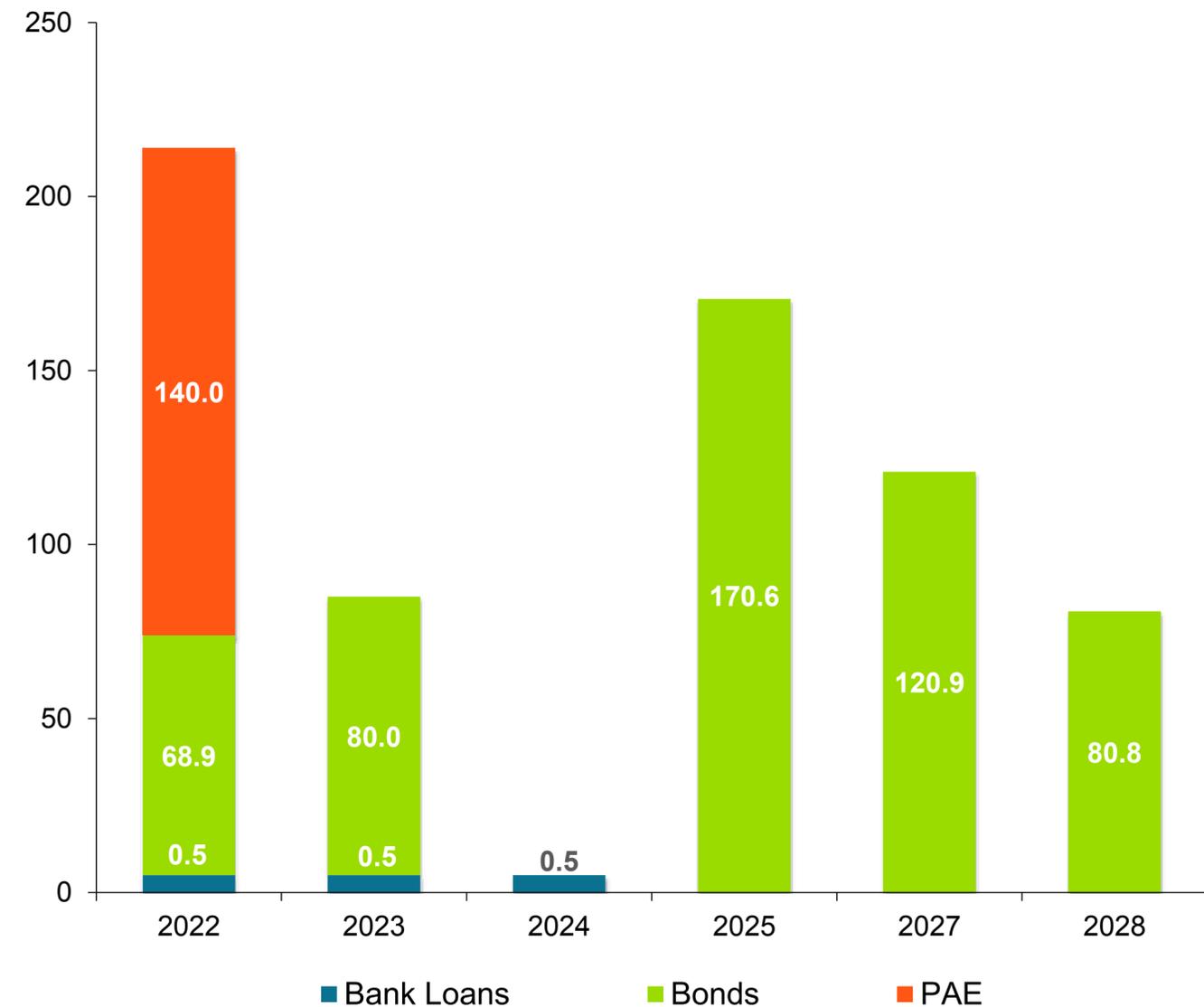
By June 30, 2022, total assets of the company show an increase of US\$ 36.87 million over the end of December 2021.

This is mainly due to:

Current assets increased, by June 30, 2022, in US\$ 19.93 million, over the end of December 2021. This mainly reflects upon the increase in cash and cash equivalent for US\$ 54.83 million, in trade and other current accounts receivable for US\$ 40.40 million, and in other current financial assets for US\$ 11.15 million, which was partly offset by the decrease in current inventories for US\$ 85.68 million.

Non-current assets show an increase, by June 2022, of US\$ 16.94 million over the end of 2021, mainly explained by the increase in other non-current financial assets for US\$ 11.94 million, right-of-use assets for US\$ 6.12 million, and property, plant and equipment for US\$ 5.49 million, which was partially offset by the decrease in non-current inventories for US\$ 6.02 million.

FINANCIAL DEBT MATURITY PROFILE
by June 30, 2022 (US\$ MM)





By the end of June 2022, the total of current and non-current liabilities of the company increased **US\$ 19.95 million** over the end of 2021. This is mainly due to:

Current liabilities increased, by June 2022, in **US\$ 16.53 million** over the end of December 2021, mainly explained by the increase in other financing liabilities for **US\$ 78.63 million**, which was offset by the decrease in trade accounts and other payables for **US\$ 46.31 million**, in current tax liabilities for **US\$ 17.95 million**, and in employee benefits liabilities for **US\$ 8.47 million**.

Non-current liabilities increased, by June 2022, in **US\$ 13.87 million** over the end of December 2021, mainly explained by the increase in other non-current financing liabilities for **US\$ 7.43 million**, and in non-current lease liabilities for **US\$ 4.32 million**.

Net equity, by the end of June 2022, recorded a **US\$ 26.92 million** increase over the end of year 2021, mainly explained by an increase in accumulated profits for **US\$ 12.10 million**, and in other reserves for **US\$ 4.93 million**.

EBITDA / FINANCIAL EXPENSES



NET DEBT/ EBITDA





Financial Ratios

Net Debt to EBITDA ratio: increased between December 2021 and June 2022, reaching a value of **2.69 times**. The above is due to an increase in net debt while the annualized EBITDA decreased compared to the end of 2021. In management's opinion, this value corresponds to appropriate levels for the company.

Debt ratio: remained the same over December 2021, reaching a value of **1.21 times** by June 2022. The above is mainly explained by the increase in total liabilities while equity increased similarly, compared to the end of 2021.

Short Term Liabilities %: decreased from 50.39% in December 2021 to **49.98%** by June 2022, because current liabilities increased by 1.26%, while non-current liabilities increased by 2.92%.

Long Term Liabilities %: increased, from 49.61% by December 2021 to **50.02%** by June 2022, due to the higher increase compared to the increase in short term liabilities.

EBITDA / Financial Expenses: showed an 51.26% decrease going from **13.93 times** by the end of year 2021 to **6.79 times** by June 2022, due to the decrease in EBITDA while the financial expenses increased.

Current liquidity: by the end of June 2022 totals **2.46 times**, increasing **0.82%** over the **2.44 times** by the end of December 2021. This is explained by a greater proportional increase in current assets, compared to the increase in current liabilities.

Acid Ratio: increased, going from **0.81 times** by December 2021 to **1.02 times** by June 2022, mainly due to a decrease in current inventories of **US\$ 85.68 million**, offset in part by the greater proportional increase in current assets, compared to the increase in current liabilities.

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

Ratio	December 2021	June 2022	VARIATION % Dec. 2021 / Jun. 2022
Net Debt / EBITDA	2.27	2.69	18.50%
Debt Ratio ¹	1.21	1.22	0.83%
% Short Term Liabilities	50.39%	50.51%	0.24%
% Long Term Liabilities	49.61%	49.49%	-0.24%
EBITDA / Financial Expenses ²	13.93	6.79	-51.26%
Current Liquidity ³	2.44	2.42	-0.82%
Acid Ratio ⁴	0.81	1.02	25.93%

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.

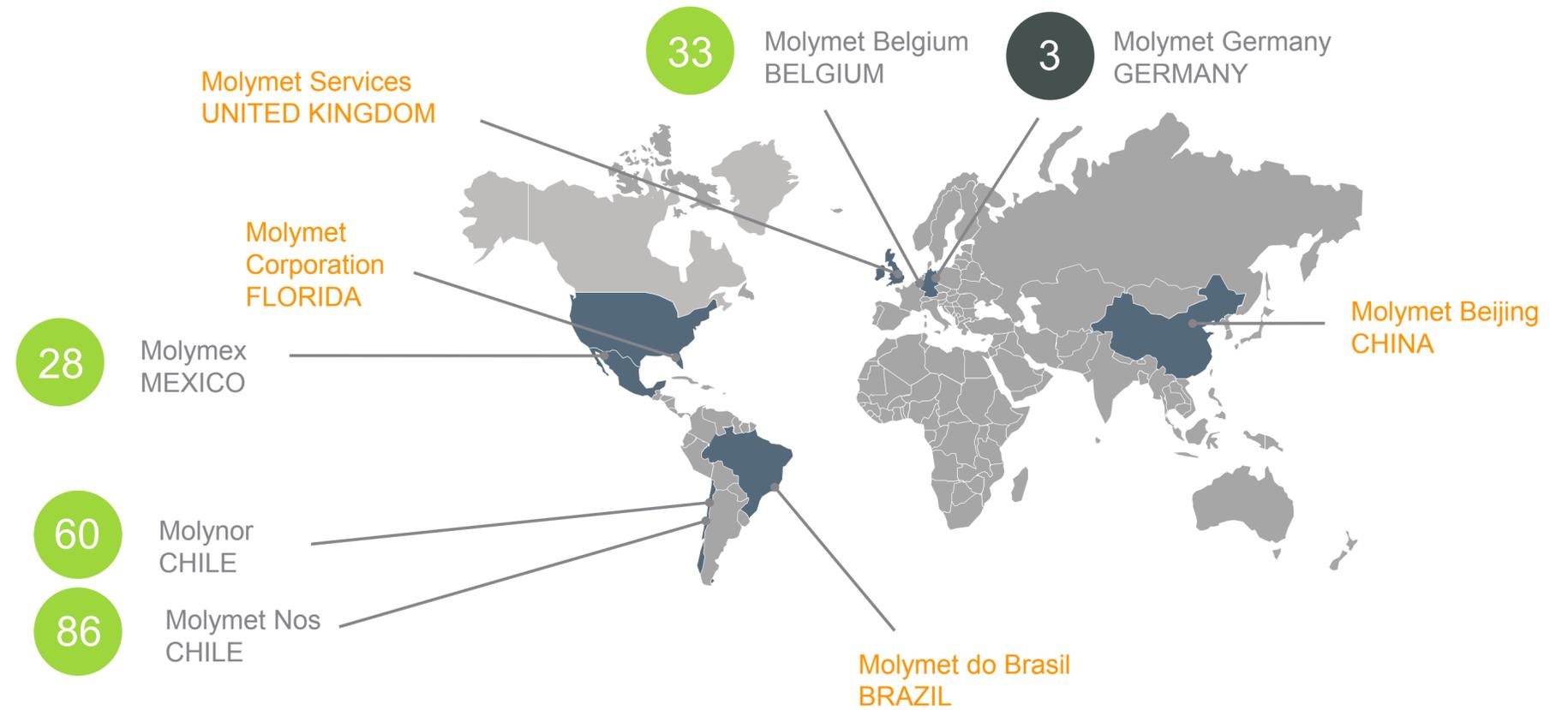
The path that we have decided to build will allow us to continue contributing with talented, committed and proud teams to work at Molymet that, together with all our subsidiaries, will continue to meet our stakeholders, further enhancing our brand globally and reflecting on our daily work the contribution 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 June 30, 2022



- Annual Metallic Molybdenum Processing Capacity in million pounds.
- Production Plants
- Annual Molybdenum Processing Capacity in million pounds
Total capacity: 207 million pounds
- Commercial Offices

* Source: IMO.A.



Strategic Pillars

Sustainability

As part of the strategic pillars of sustainability, Molymet continues with the implementation of the Corporate Sustainability Strategy, currently preparing the Corporate Climate Change Policy and the Economic, Social and Environmental Risk Management Manual.

In relation to our Molymet 2030 Sustainability Agenda, which is made up of 12 commitments aligned with the Sustainable Development Goals (SDGs), we have defined specific objectives for each subsidiary, which respond to their own local realities, and which, as a whole, will contribute within the scope of the corporate commitments of our Agenda.

Regarding participation in international sustainability index, we have developed an action plan to progressively improve our score in the Dow Jones Sustainability Index (DJSI), which will allow us to enhance our sustainable performance. This year, we will again participate in this index. While, in relation to the Stakeholders Sustainability Index (SSIndex), an index that allows us to recognize the perception of our stakeholders and raise risks associated with it, we present the results by stakeholder group to the subsidiaries and corporate.

We are currently developing an action plan focused on those areas that emerged as a risk for the Company.

Finally, we have prepared our fourth Sustainability Report, which covers the 2021 period, and is available in Spanish and English on our website. We invite you to review it.

Digital Transformation

Considered one of the main pillars of Molymet's modernization scheme, the Digital Transformation Strategy seeks to incorporate technologies that add value in the different areas of the company, guided by the company's efficiency and sustainability.

Inserts in the Digital Transformation roadmap are automation projects, such as the RPA Factory - Robot Process Automation - or Business Intelligence developments digitizing reports and creating interactive dashboards.

In addition, in recent months Artificial Intelligence solutions have been explored to model complex processes with large volumes of information, which will allow us to be increasingly efficient.

Operational Excellence and LEAN Transformation

Molymet continues to work and advance in the adoption of the Lean philosophy.

The subsidiaries continue to consolidate and adopt new Lean tools and practices such as TPM (Total Productive Maintenance) in order to ensure the operational continuity of the plants.

The development of initiatives to improve costs, productivity and ensure the sustainability of operations continues.

During 2022, emphasis has been placed on designing and implementing initiatives with a more strategic perspective, with a focus on the medium-long term, innovation and the client.





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 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	06-30-2022 THUSD	12-31-2021 THUSD	VAR % Q2 2022 / 2021
Current Assets			
Cash and cash equivalent	209,999	155,170	35.33%
Other financing assets, current	12,690	1,545	↑
Other non-financing assets, current	12,706	11,223	13.21%
Trade an Other receivables, current	257,741	217,338	18.59%
Intercompany receivable, current	308	76	↑
Inventories, current	700,867	786,545	-10.89%
Biological assets, current	51	554	-90.79%
Tax assets, current	3,528	5,506	-35.92%
Total Current Assets	1,197,890	1,177,957	1.69%
Non-Current Assets			
Other financing assets, non-current	12,379	443	↑
Other non-financing assets, non-current	249	275	-9.45%
Trade an Other receivables, non-current	127	138	-7.97%
Inventories, non-current	86,944	92,960	-6.47%
Other intangible assets	4,527	4,923	-8.04%
Properties, Plant and Equipment	461,144	455,652	1.21%
Right-of-use assets	12,346	6,230	98.17%
Deferred tax assets	9,161	9,324	-1.75%
Total non-Current Assets	586,877	569,945	2.97%
Total Assets	1,784,767	1,747,902	2.11%

07. Consolidated Financial Statements

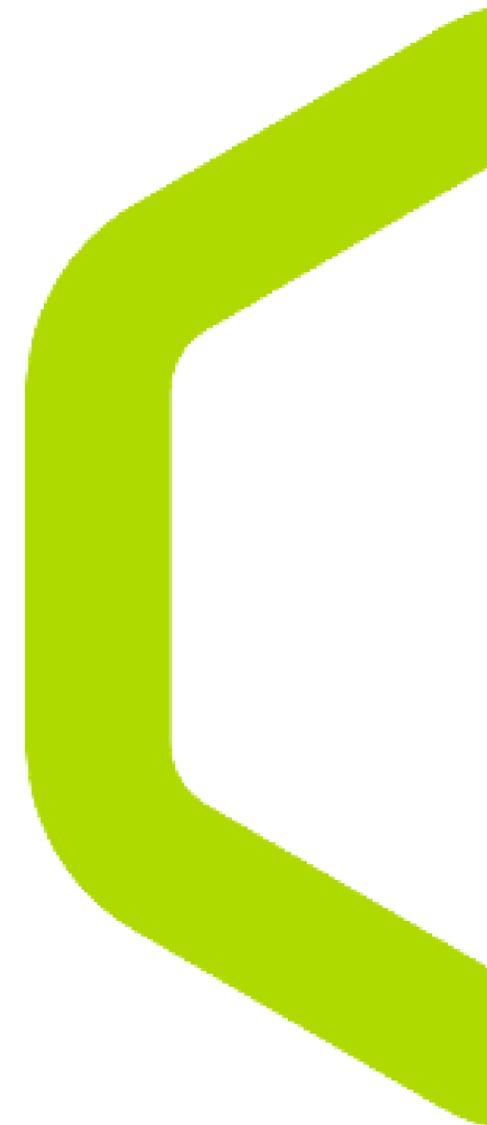
Results second quarter 2022





Balance sheet

Equity and Liabilities	06-30-2022 THUSD	12-31-2021 THUSD	VAR % Q2 2022 / 2021
Current Liabilities			
Other financing liabilities, current	303,432	224,573	35.01%
Current lease liabilities	2,220	2,002	10.89%
Accounts and other payables, current	151,337	197,646	-30.60%
Tax liabilities, current	66	18,013	-99.63%
Employee benefit provisions, current	17,315	25,786	-32.85%
Other non.financial liabilities	13,735	13,787	-0.38%
Total Current Liabilities	487,876	481,807	1.24%
Non-Curent Liabilities			
Other financing liabilities, non-current	379,229	371,804	2.00%
Non-Current lease liabilities	8,014	3,690	↑
Other provision, non-current	462	474	-2.53%
Deferred tax liabilities	81,061	79,584	1.86%
Employee Benefit provisions, non-current	19,480	18,815	3.53%
Total Non-Current Liabilities	488,246	474,367	2.93%
Total Liabilities	976,122	956,174	2.09%
Equity			
Share capital	501,952	501,952	-
Retained earnings	325,117	320,183	1.54%
Other reserves	-19,631	-31,734	-38.14%
Total equity attributable to owners of the parent	807,438	790,401	2.16%
Total equity attributable to non-controlling interests	1,207	1,327	-9.04%
Total Equity	808,645	791,728	2.14%
Total Liabilities and Equity	1,784,767	1,747,902	2.11%





Income Statement

Statement of Net Income by Function	06-30-2022 THUSD	06-30-2021 THUSD	VAR % Q2 2022 / Q2 2021
Revenue	932,430	643,337	44.94%
Cost of sales	-844,276	-240,769	63.04%
Gross Profit	88,154	125,503	-29.76%
Other gains, by function	8,439	1,419	↑
Distribution cost	-9,652	-8,566	12.68%
Adminitration expenses	-24,143	-29,637	-18.54%
Other expenses, by function	-3,455	-3,304	4.57%
Other gains (loss)	-708	-260	↑
Income from operating activities	58,635	85,155	-31.14%
Financial income	682	323	↑
Financial expenses	-11,509	-6,255	84.00%
Foreign exchange differences	-654	-406	61.08%
Income (loss) before income taxes	47,154	78,817	-40.17%
Income tax expense	-14,602	-21,351	-31.61%
Income from continuing operations	32,552	57,466	-43.35%
Income	32,552	57,466	-43.35%
Income (loss) attributable to owners of the parent	32,093	56,789	-43.49%
Income (loss) attributable to non-controlling interest	459	677	-32.20%
Income	32,552	57,466	-43.35%

