

# RESULTS **SECOND QUARTER 2024**

PRESS RELEASE



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## PRESS RELEASE

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# *EXECUTIVE* SUMMARY

01

*CHAPTER*



As of June 30, 2024, EBITDA reached **US\$ 78 million**, an increase of **15%** compared to June 2023. This is mainly explained by the increase of **US\$ 6 million** in gross profit in the second quarter of 2024, compared to the same period of the previous year, which is mainly explained by higher margins. The Company has a robust business model, a sustainable operating result, a solid liquidity situation and access to various sources of financing thank to the consolidated position of the Company in the international market. In addition, Molymet continues to make decisive progress in its sustainability agenda.

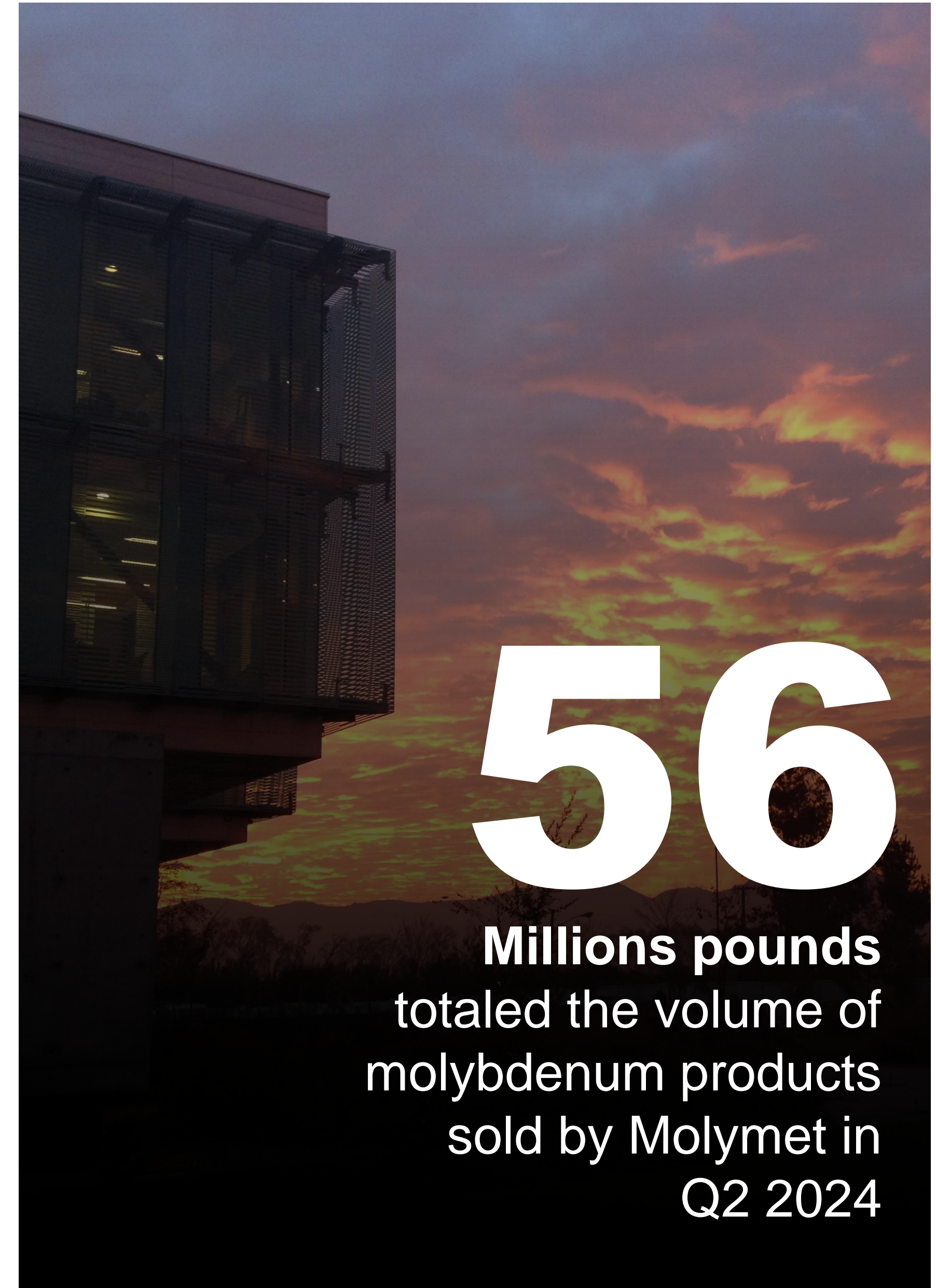
Profit attributable to Molymet shareholders as of June 2024 was **US\$ 36 million**, **47%** higher than in June 2023. This increase is mainly explained by the higher gross profit generated in the second quarter of 2024, in addition to a lower net financial expense of **US\$ 14 million** (product of the lower net debt) and lower other operating costs and expenses of **US\$ 5 million**, compared to the same period of the previous year. This was partially offset by higher tax expense of **US\$14 million** compared to the previous year.

The average price of molybdenum oxide was **US\$21 per pound** as of June 2024, **23%** lower than in the previous year. The volume of molybdenum products sold by Molymet in all its forms reached **56 million pounds** as of June 2024, **6%** lower than the **59 million pounds** sold in the same period of 2023. With respect to rhenium sales, these increased by **17%** with respect to June 2023, reaching **60 thousand pounds**. It is important to note that Molymet maintains a very stable base of medium and long-term customers for its molybdenum tolling and rhenium sales business lines. For its own molybdenum sales, Molymet has a broad base of regular customers, with most of which it has long-term relationships and contracts that are continually renewed.

The stabilization in the price of molybdenum since April 2023 led to a considerable recovery of cash during the second semester of that year, which continued during 2024. This is reflected in the Company's net debt, which reached **US\$ 226 million** by June 2024, a decrease of **US\$ 64 million** with respect to that recorded at the end of 2023. This cash recovery allowed the Company to prepay one of its bonds (Molymet 21, Mexico) in March 2024, which implied a reduction of **US\$ 163 million** in the Company's debt (including the effect of the respective hedging derivatives). This decision was taken in order to reduce total debt, net financial expense and to make efficient use of the cash surpluses.

Thanks mainly to the above, consolidated book debt at June 2024 reached **US\$ 524 million**, a reduction of **US\$ 239 million** with respect to year-end 2023. On the other hand, book cash decreased to **US\$ 298 million** at June 2024, from **US\$ 474 million** at the end of 2023.

In order to further reduce the Company's total debt and financial expenses, on July 11, 2024, bond Molymet 23, equivalent to **US\$189 million**, which was due to mature in April 2025, was prepaid. Part of this prepayment was financed with a new bond issue in Mexico for **US\$ 109 million**, payable in 4 years. This issue received great interest from investors reaching a demand of 2.5x the target amount. The above, along with the good reputation of Molymet in the Mexican market, and its financial and credit strength, allowed the final rate of this placement to be considerably reduced.



**56**  
**Millions pounds**  
**totaled the volume of**  
**molybdenum products**  
**sold by Molymet in**  
**Q2 2024**



As of June 2024, Molymet maintains its *Investment Grade* rating in the international market, obtained in 2007. In March 2024, Fitch Ratings downgraded Molymet's rating from BBB to BBB- on an international scale and from AA to AA- at the national level (Chile), both with a stable outlook. The Company maintains a BBB- rating with negative outlook, granted by S&P Global Ratings in 2023. The downgrade by Fitch Ratings was mainly due to the negative impacts generated by the extremely unusual volatility of the molybdenum price at the beginning of 2023. It should be noted that for Molymet, having an *Investment Grade* risk rating is a priority, and all measures deemed necessary to reinforce it are being carried out, including the debt prepayments made during 2024.

The exceptional increase in the price of molybdenum that occurred at the beginning of 2023 generated an increase in the Company's working capital requirements, which resulted in an increase in indebtedness and, consequently, in net financial expenses starting in the second quarter of 2023. This situation caused a decrease in the ratio of the EBITDA covenant to Net Financial Expenses, effective for all of Molymet's bonds, starting in that quarter. At the end of 2023, the Company projected a potential drop of this indicator below its contractual limit (5.0x), by the end of December 2023. Thanks to the solid financial situation of the Company at year-end and the good levels maintained for the other covenants, a waiver was obtained for the covenant for 5 quarterly closings as of December 2023. Considering the above, as of June 30, 2024, the Company is in compliance with all financial commitments. It is important to note that during the second quarter of 2024, the EBITDA/Net Financial Expenses covenant improve considerably, reaching 4.7x in June 2024, slightly below its target of 5.0x.

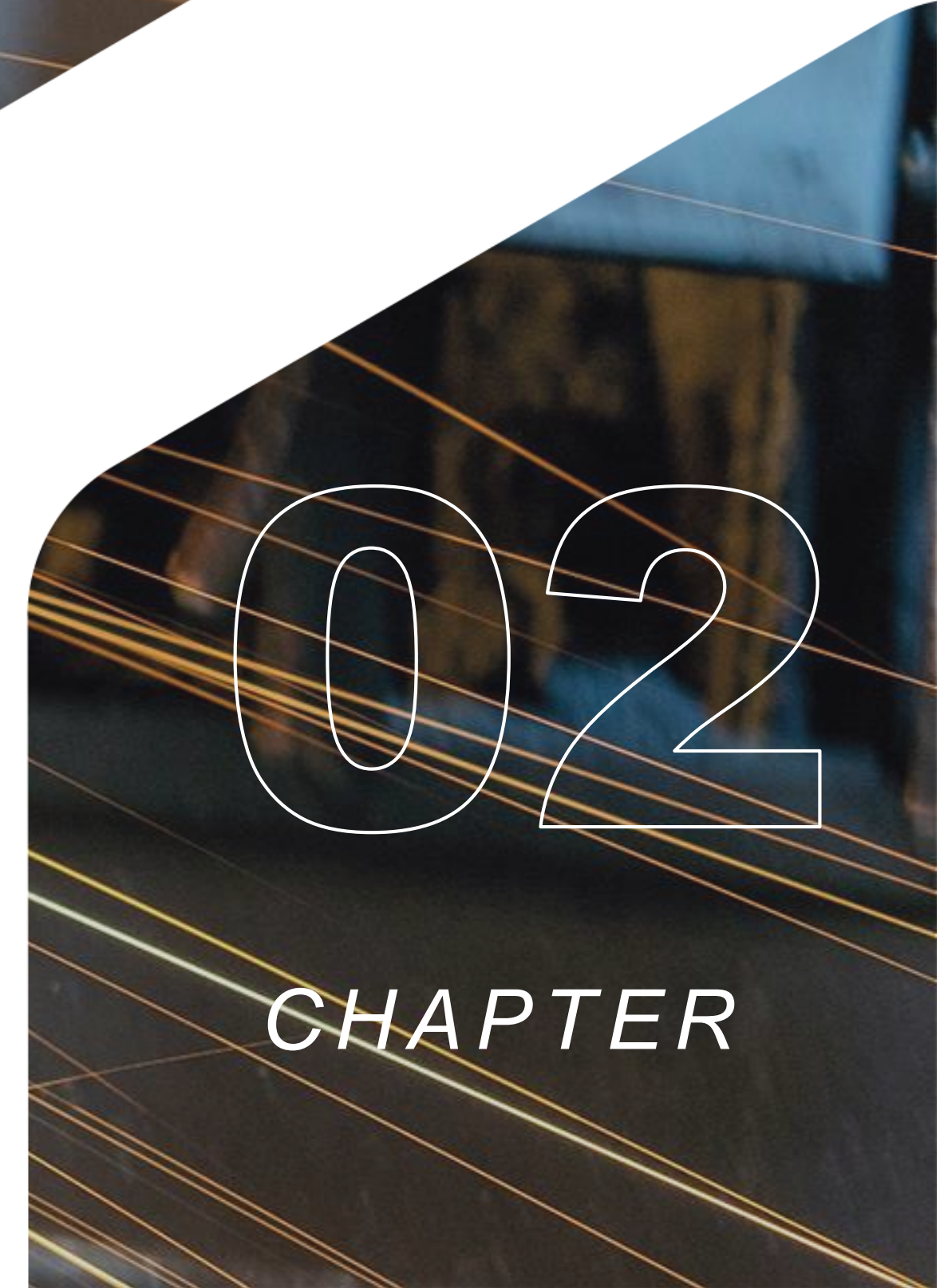
On December 27, 2023, the Board of Directors of Molymet agreed to appoint Mr. Edgar Pape Arellano, then Vice President of Operations America, as Interim Chief Executive Officer, temporarily replacing Mr. John Graell Moore, who retired from his duties for health reasons. On January 17, 2024, the Board of Directors accepted the voluntary resignation of Mr. John Graell from his position as Chief Executive Officer, presented for strictly personal reasons, which became effective on January 31, 2024. It was agreed to maintain Mr. Pape as Interim Chief Executive Officer, until the appointment of a definitive successor for the position. On March 21, 2024, the Board of Directors appointed Mr. Pape as Chief Executive Officer of Molibdenos y Metales S.A., who began his term of office on March 26, 2024.

At the Ordinary Shareholders' Meeting of Molymet, held in April 2024, it was agreed to distribute the final dividend No. 94 out of the profits for the year 2023, for a total of **US\$ 0.094 per share**. The final dividend of **US\$ 13 million** was paid on April 29, 2024.

Molymet is committed to the implementation of the new Sustainability Strategy so that, in addition to permanently complying with legal regulations, it will be a global benchmark in the industry, consolidating the link with the communities, the environment and stakeholders in general. An example of this commitment is the rating awarded by the DJSI within the **top 5% of the mining and metals industry** during 2023. Additionally, in April 2024 the sixth Sustainability Report (2023) was launched, which is published on the Company's website: [www.molymet.com](http://www.molymet.com).



*OUR*  
COMPANY





## Molymet is the global leading processor of molybdenum and rhenium concentrates, with an approximate share in world processing capacity of 35% and 70%, respectively, at the end of 2023.

It currently has industrial subsidiaries in four countries: Chile, Mexico, Belgium and Germany, and commercial offices in the United Kingdom, China, the United States, Brazil and Chile. The Company has built its global leadership based on strong policies of innovation, sustainability and operational excellence.

Molybdenum is mainly used for special steel alloys, in which it significantly improves the hardness, resistance to high temperatures and corrosion of the materials, thereby increasing the durability and improving the efficiency of the parts and machinery in which it is applied. There are also uses of molybdenum in fertilizers, catalysts and lubricants, among others. The most relevant molybdenum products are: technical grade molybdenum oxide, ferromolybdenum, ammonium dimolybdate, pure grade molybdenum oxide and metallic molybdenum. As part of its operations, Molymet recovers by-products from molybdenum processing, the most important of which is rhenium.

Molymet's leadership in the international market is based on the permanent development of competitive advantages, through technological advances, efficiency and a coherent portfolio of high-quality products and services, which satisfy the needs of its customers in the mining, industrial and technological areas, both with molybdenum and rhenium products.

In addition, its extensive international presence has enabled it to establish close integration with the markets, its suppliers and its customers.

Since 2007, Molymet has maintained an *Investment Grade* rating.

At the end of June 2024, Molymet's total processing capacity is 207 million pounds of molybdenum per year, which compares to a worldwide consumption of approximately 630 million pounds\* per year.

Molybdenum and rhenium are considered metals of high strategic value globally, due to their valuable technological applications and the important role they play in global infrastructure development, environmental care, urban development, and in the manufacture of more efficient, safer and more durable metal alloys.

Molymet maintains a base of long-term contracts that provide commercial and operational stability to its business. In the tolling business unit, long-term contracts are maintained and periodically updated and renewed. Among these tolling clients, Codelco stands out, a company to which Molymet has been providing services for more than thirty years. Also noteworthy are the contracts with Sierra Gorda (recently renewed for 3 years, starting in 2024) and with Rio Tinto Commercial Americas, which is renewed annually starting in 2018.

\* Correspond to pounds of molybdenum content



# Investment Projects

On May 29, 2019, the Board of Directors of Molymet approved the necessary investment for the modernization of certain facilities of the plant of the subsidiary MolymetNos, San Bernardo, which has been named "Modernization of Roasting Gas Cleaning Systems", in order to modernize the gas cleaning processes making them more efficient and robust.

This project contemplates an investment of **US\$ 51 million** over a period of **4 years**, which will be financed entirely with the company's own resources.

On June 23, 2020, Molymet's Board of Directors decided to make an additional economic effort to maximize the contribution to environmental care, and with this to the sustainability of the operations at Nos, increasing the planned investment level by **US\$ 8 million**, by deciding to install a new acid plant with greater capacity and maximum SO<sub>2</sub> conversion efficiency, resulting in an estimated total investment of **US\$ 59 million**. As of June 2024, this project has a physical progress of **84%** and a budget execution of **US\$ 47 million**, which corresponds to **79%** of the total estimated investment.







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

In order to preserve the knowledge and expertise developed by the Company, Molymet has reformulated its corporate Intellectual Property Policy, which incorporates the highest standards in terms of protection, management and enforcement of Intellectual Property rights, thus adopting the appropriate measures to prevent the loss of this knowledge.

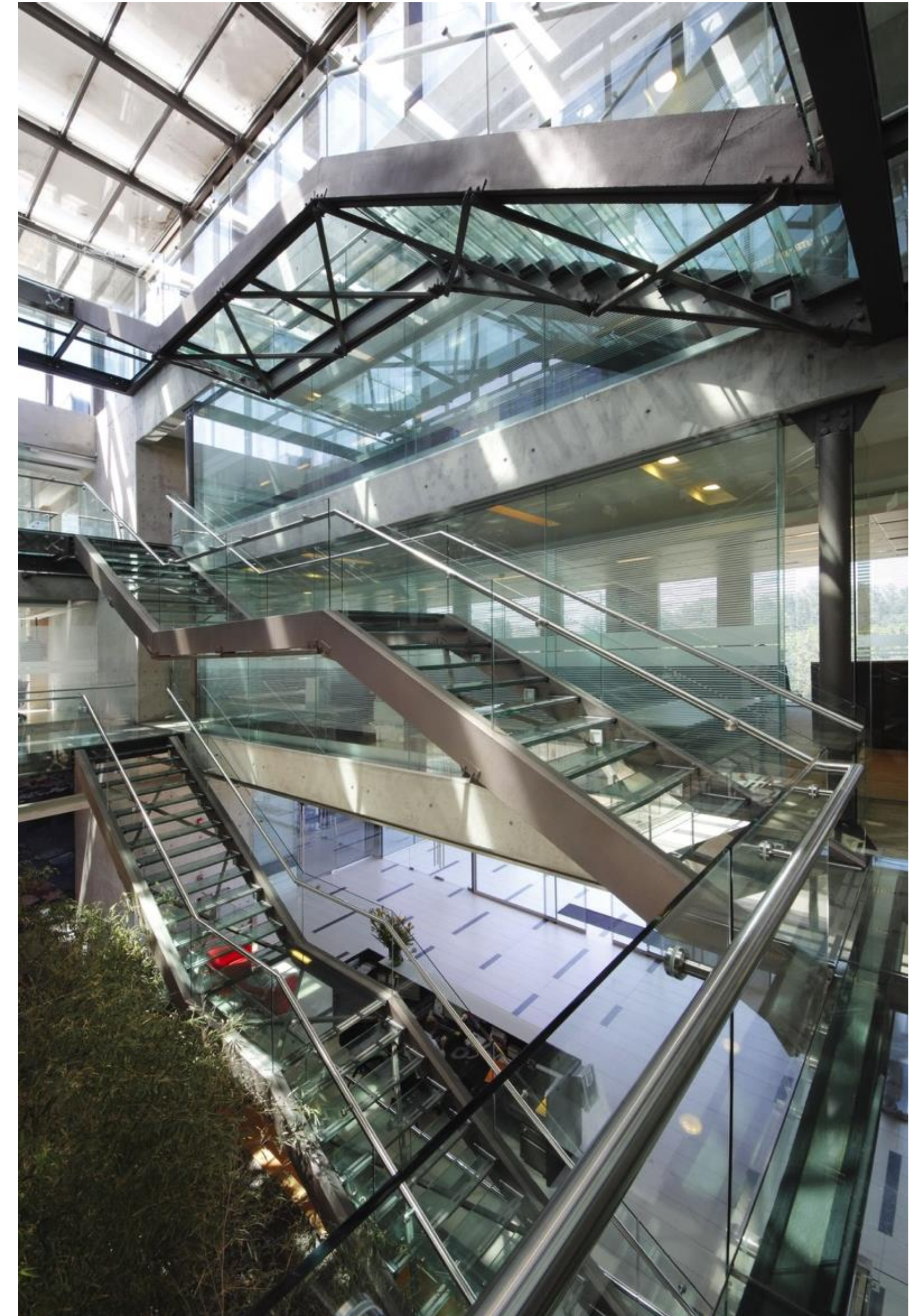
The Company has filed patent applications for some processes that have been developed, such as removal of arsenic from arsenic containing materials and selective removal of copper compounds and other impurities to separate it from molybdenum and rhenium. In addition, improvements designed for multideck roasting furnaces have been patented to improve the efficiency of molybdenum oxide production. These patents are at different levels of advancement throughout the world, in countries such as Chile, USA, Mexico, Canada, Australia, South Korea and the European Union, among others.

Molymet is a company whose development and growth is based on the use of innovation as a fundamental way to introduce processes and technologies that support its leadership role in the molybdenum and rhenium industries. This same capacity has led Molymet to innovate in other strategic metals industries, seeking business opportunities to increase its product portfolio.

Year after year, Molymet actively participates in independent measurements to strengthen its strategy, responding to the highest global standards and indexes in the industry. In this context, the Dow Jones Sustainability Index (DJSI), which evaluates the sustainability of thousands of companies listed on the main world stock exchanges, ratified Molymet in 2023 as one of the most sustainable companies in the metals and mining industry at a global level, positioning it within the top 5% of the best evaluated companies in the industry. This rating reflects the Company's high level of commitment to environmental, social and corporate governance issues.

This rating reflects the company's high level of commitment to environmental, social and corporate governance issues. An example of this is the inauguration in 2023 of a wind turbine at Molymet Belgium, which means that, as of 2024, 80% of the subsidiary's electricity consumption will come from renewable sources.

Molymet, through its subsidiary Inmobiliaria San Bernardo, has among its assets an area of 123 hectares planted with organic walnut trees, which surround Molymet's facilities and the MolymetNos plant. In order to maintain and preserve the green areas of this sector of Nos, Molymet established the first Environmental Conservation Right in the commune of San Bernardo, in the Metropolitan Region.



*SUMMARY*  
Q2 2024

03

*CHAPTER*

# Accumulated results

## Highlights

### SALES

**US\$ 1,052**  
million

### EBITDA

**US\$ 78**  
million

### NET FINANCIAL DEBT

**US\$ 226**  
million

At the end of June 2024, accumulated revenue was **US\$ 1,052 million**.

At June 30, 2024, gross profit reached **US\$ 95 million**, an increase of 6% compared to the **US\$ 90 million** recorded at the end of June 2023. This increase is mainly explained by higher trading margins compared to those of the second quarter of 2023.

As of June 2024, EBITDA reached **US\$ 78 million**, an increase of 15% compared to the same period in 2023, when this indicator was **US\$ 68 million**. This is mainly due to higher gross profit, in addition to lower distribution costs of **US\$ 3 million** and lower other expenses per function of **US\$ 2 million**.

Profit attributable to Molymet shareholders as of June 30, 2024, was **US\$ 36 million**, an increase of **US\$ 12 million** over the **US\$ 24 million** result obtained in June 2023. This difference is due to higher gross profit of **US\$ 6 million**, lower net financial expense of **US\$ 14 million**, and lower other operating costs and expenses of **US\$ 5 million** compared to the previous year.

The volatility observed in the price of molybdenum in early 2023 negatively affected the Company's cash levels and led to higher indebtedness. The subsequent fall and stabilization in the molybdenum price led to a considerable recovery in cash during the latter part of 2023, which continued into 2024. This is reflected in the Company's net debt, which reached **US\$ 226 million** at June 2024, a decrease of **US\$ 64 million** compared to that recorded at the end of 2023 (**US\$ 290 million**).





# Featured figures

## Accumulated results

Mainly as a result of the prepayment of the Molymet 21 bond, the Company reduced its book cash from **US\$ 474 million** at December 2023 to **US\$ 298 million** at June 2024.

As of June 2024, **US\$ 20 million** was disbursed in projects, an increase compared to the previous year. **US\$ 16 million** for the same period in 2023.

As of the end of June 2024, Molymet's total processing capacity is **207 million pounds** per year, which compares to an approximate worldwide consumption of **630 million pounds** per year<sup>1</sup>.

<sup>1</sup> Correspond to pounds of molybdenum content

## Main accumulated figures

	Q2 2024	Q2 2023	Var. 2024 / 2023 US\$ Million   %	
Sales Revenue (MM USD)	1,052	1,333	-281	-21%
EBITDA (MM USD)	78	68	10	15%
EBITDA margin	7%	5%	-	-
Net Income (MM USD)	36	24	-12	-47%
CAPEX (USD million, excluding VAT)	20	16	4	28%
Average Mo Price (USD/Lb)	21	27	-6	-23%
EBITDA/Net Financial Expense**	5.3	3.1*	-	-
Net Debt (MM USD)	226	290*	-64	-22%

\* Value as of December 2023.

\*\* Annualized, last twelve months.

# *ANALYSIS OF RESULTS*

04

*CHAPTER*



# Q2 2024 vs Q2 2023

The volume of molybdenum products sold by Molymet in all its forms as of June 2024 reached **56 million pounds**, compared to **60 million pounds** as of June 2023, representing a decrease of **6%**.

At the end of June 2024, cumulative revenues were **US\$1,052 million**, a decrease of **21%** from **US\$1,333 million** at the end of June 2023. The Company's revenues depend mainly on global molybdenum oxide prices, volumes processed and sold of molybdenum products, and efficiency levels achieved during the year.

In terms of production mix, own sales represent **81%** of the total volume of molybdenum products sold at the end of June 2024.

Variations in Molymet's business lines were as follows:

## Summary of volumes and revenues

	Volumes			Total revenues (US\$ Million)		
	Q2 2024	Q2 2023	Var.	Q2 2024	Q2 2023	Var.
<b>Own Sales* (MM Lb.)</b>	45	47	-4%	996	1,280	-22%
<b>Tolling (MM Lb.)</b>	11	12	-11%	14	17	-17%
<b>Rhenium (Lb.)</b>	59,440	50,832	17%	33	28	17%
<b>Metallic Mo (MM Lb.)</b>	0.85	0.94	-10%	24	32	-27%
<b>By-products** (Tons)</b>	34,724	42,319	-18%	9	7	23%

(↑↓) Indicates a variation greater than 100%.

\*Own sales include molybdenum metal.

\*\*By-products include copper, sulfuric acid and others.



# Q2 2024 vs Q2 2023

Own sales volumes reached 45 million pounds at the end of June 2024, decreasing by 4% with respect to the end of June 2023. Revenues from this business line decreased by 22% compared to the same period of 2023. The variations in revenues are mainly explained by a lower average molybdenum price between both periods, which is reflected in the decrease in revenues from sales of ferromolybdenum by 35%, of pure molybdenum oxide in sandy grade by 23% and of technical oxide powder by 11%.

Tolling volumes sold reached 11 million pounds at the end of June 2024, a decrease of 11% compared to the end of June 2023. Revenues from this business line decreased by 17% compared to the same period of 2023. This is due to a 27% decrease in technical oxide powder toll revenues and 19% decrease in technical oxide briquettes, partially offset by a 176% increase in ferromolybdenum toll revenues.

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## 35%

Decreased sales revenues  
of ferromolybdenum

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## 23%

Decreased sales revenues  
of pure oxide in sandy grade



# Q2 2024 vs Q2 2023

Rhenium sales volume reached **59,440 pounds** at the end of June 2024, an increase of 17% compared to the second quarter of 2023. Revenues from the sale of rhenium products increased by 17% compared to June 2023.

The sales volume of other by-products, which include sulfuric acid and copper cements, mainly, reached **34,724 tons** at the end of June 2024, decreasing by 18% with respect to the same period of 2023. In relation to revenues from the sale of these by-products, there was an increase of 18% with respect to the end of June 2023.

Molybdenum metal sales volume reached **0.85 million pounds** at the end of June 2024, decreasing by 10% compared to June 2023. Revenues from this product decreased by 27% compared to the same period of 2023.







# Q2 2024 vs Q2 2023

The annual average international price of molybdenum oxide varied from **US\$27 per pound** as of June 2023 to **US\$21 per pound** as of June 2024, a decrease of **23%**.

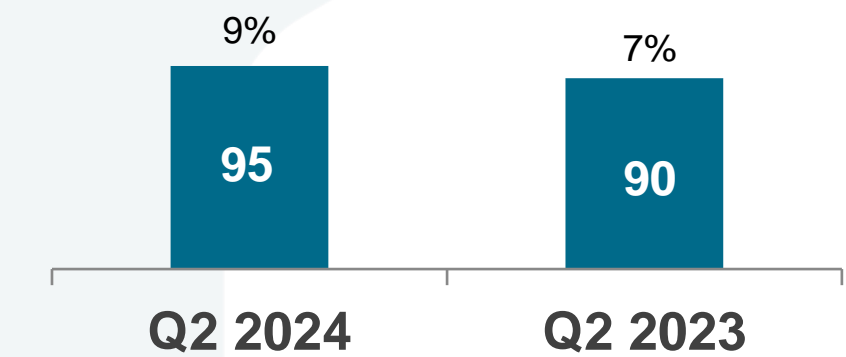
Consolidated cost of sales, as of June 30, 2024, amounted to **US\$ 957 million**, representing a **23%** decrease from the **US\$ 1,243 million** recorded at the end of June 2023. Similar to revenues, cost of sales is highly dependent on the price of molybdenum and own molybdenite supply volumes.

As of June 30, 2024, gross profit reached **US\$95 million**, an increase of **6%** compared to the **US\$90 million** recorded at the end of June 2023. This increase is mainly explained by higher trading margins compared to those of the second quarter of 2023.

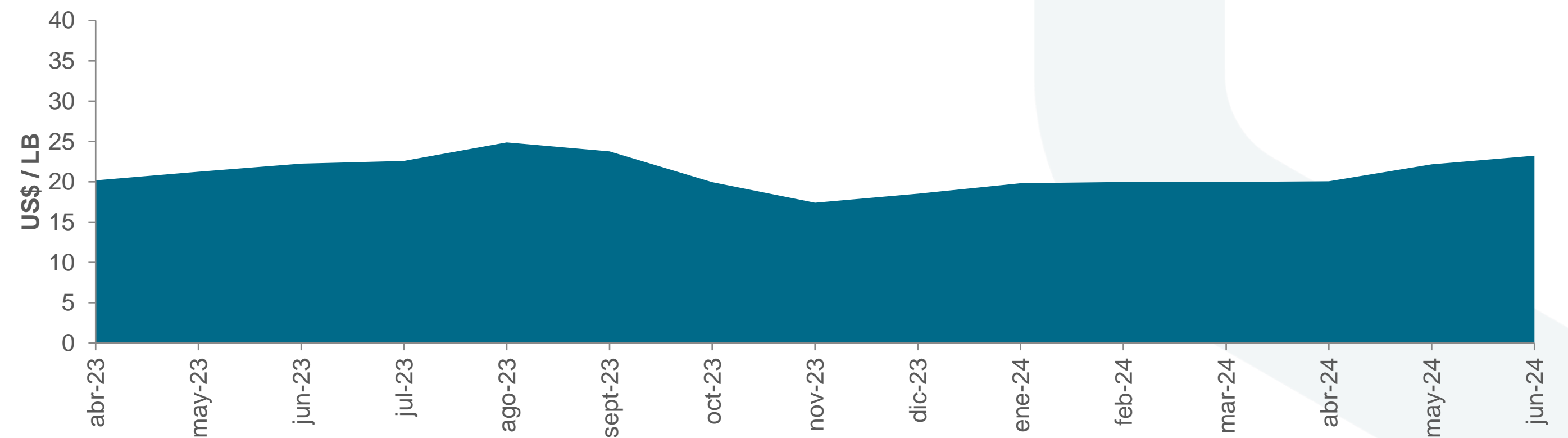
Selling, general and administrative expenses amounted to **US\$27 million** at the end of June 2024, remaining virtually constant with respect to the same period of 2023. Measured as a percentage of sales revenues, these amounted to **3%** at the end of June 2024.

Molymet operates under contractual conditions that seek to minimize the impact of molybdenum price volatility on operating results.

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



AVERAGE MONTHLY PRICE OF Mo Metals week D.O. USA



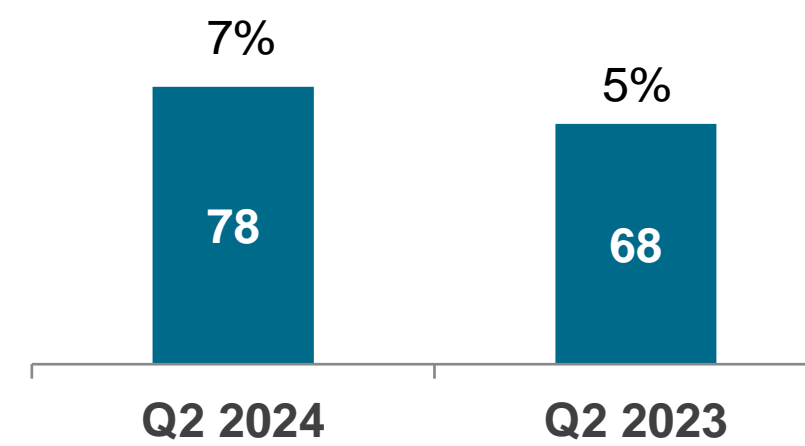


# Q2 2024 vs Q2 2023

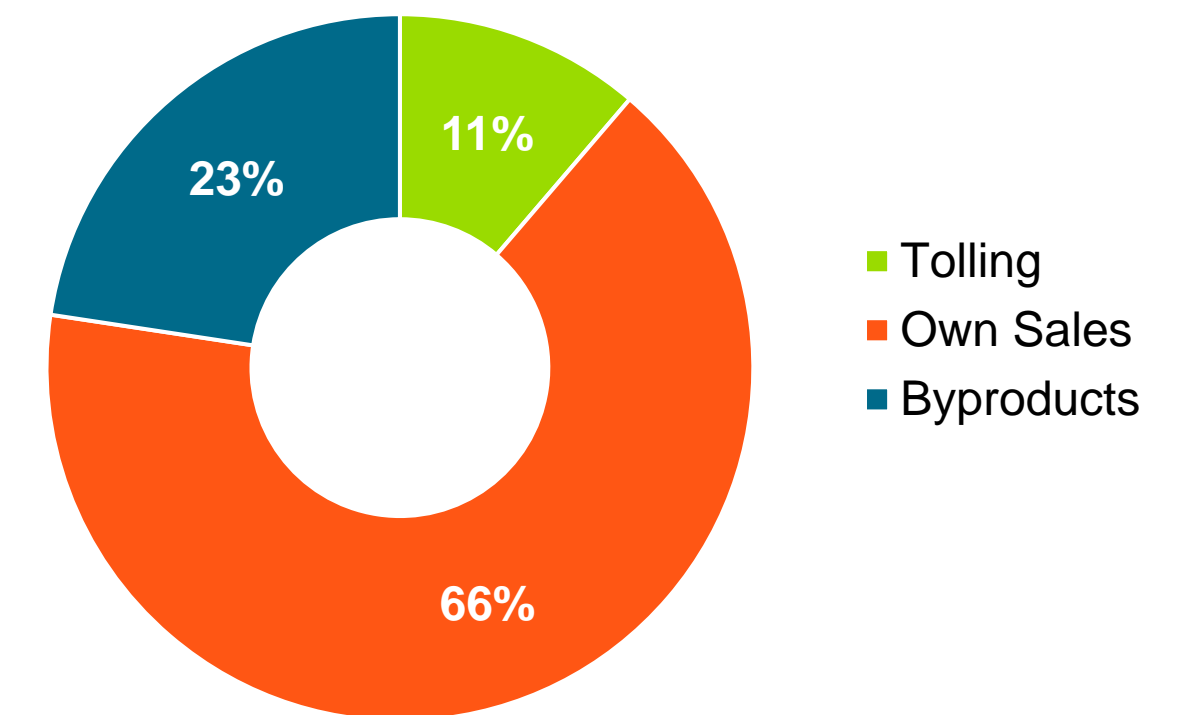
As of June 30, 2024, EBITDA reached **US\$ 78 million**, an increase of **15%** compared to the same period in 2023, when this indicator was **US\$ 68 million**. This is mainly due to higher gross profit by **US\$ 6 million**, lower distribution costs by **US\$ 3 million** and lower other expenses by function by **US\$ 2 million**.

Profit attributable to Molymet's shareholders as of June 2024 was **US\$ 36 million**, **47%** higher than in June 2023. This increase is mainly explained by the higher gross profit generated in the second quarter of 2024, a lower net financial expense of **US\$ 14 million** and lower other operating costs and expenses of **US\$ 5 million** compared to June 2023. This was partially offset by a higher tax expense of **US\$ 14 million**, compared to the previous year, as a result of higher income before taxes.

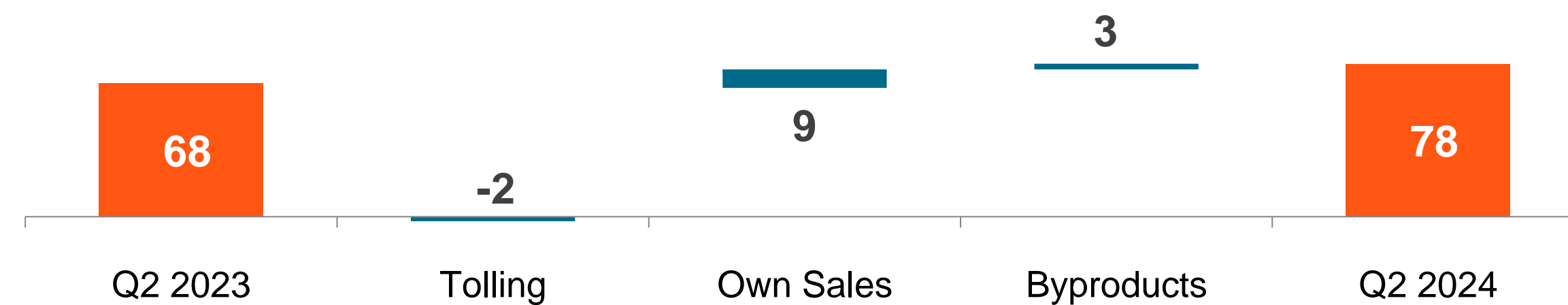
EVOLUTION OF EBITDA MARGIN (%) AND EBITDA (MM US\$)



EBITDA COMPOSITION Q2 2024



CHANGE IN EBITDA COMPOSITION (MM US\$)



# *CONSOLIDATED BALANCE SHEET ANALYSIS*



05

*CHAPTER*

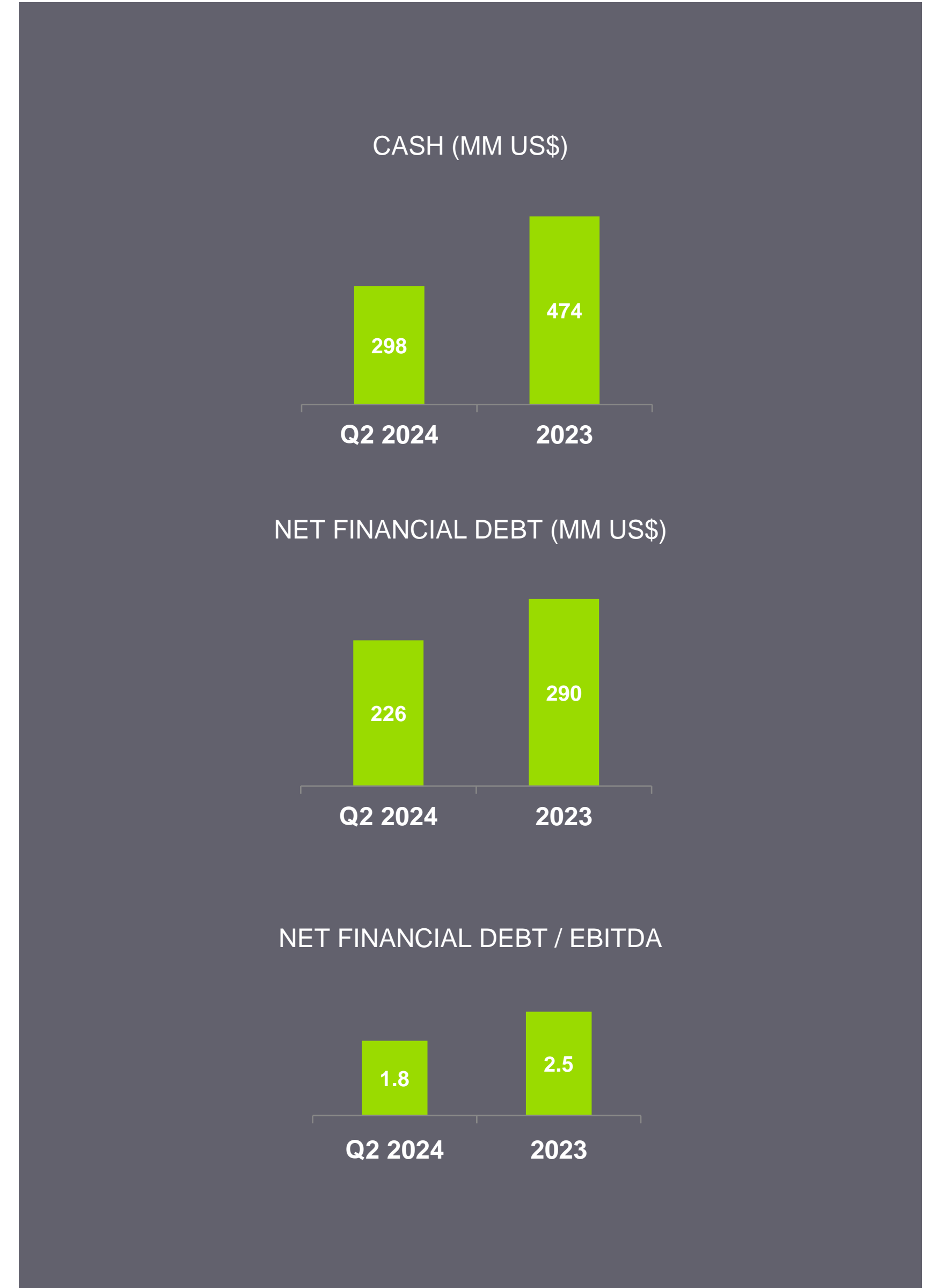


**Assets:**

As of June 30, 2024, the Company's total assets show a decrease of **US\$ 116 million** with respect to the end of December 2023. This is mainly due to:

Current assets decreased by **US\$ 29 million** as of June 30, 2024, compared to the end of December 2023. This was mainly due to a decrease in cash and cash equivalents of **US\$ 96 million** (the effect of the prepayment of the Molymet 21 bond, which was partially offset by the positive operating cash flow for the period). In addition, there was a decrease in current trade accounts receivable of **US\$ 46 million**. The decrease in current assets was partially offset by the increase in current inventory assets of **US\$ 84 million**, a variation explained by the increase in the price of molybdenum with respect to year-end 2023.

Non-current assets decreased by **US\$ 87 million** as of June 2024 compared to December 2023. This is largely explained by the reduction in other non-current financial assets by **US\$ 81 million** (mainly generated by the elimination of the *mark-to-market* of the prepaid bond hedging derivative and by exchange rate variations), in addition to the decrease in non-current inventories by **US\$ 5 million**.





The cash generated between the end of 2023 allowed the Company to prepay the entire Molymet 21 bond, which reduced the company's debt by **US\$ 163 million**.

#### Liabilities and Equity:

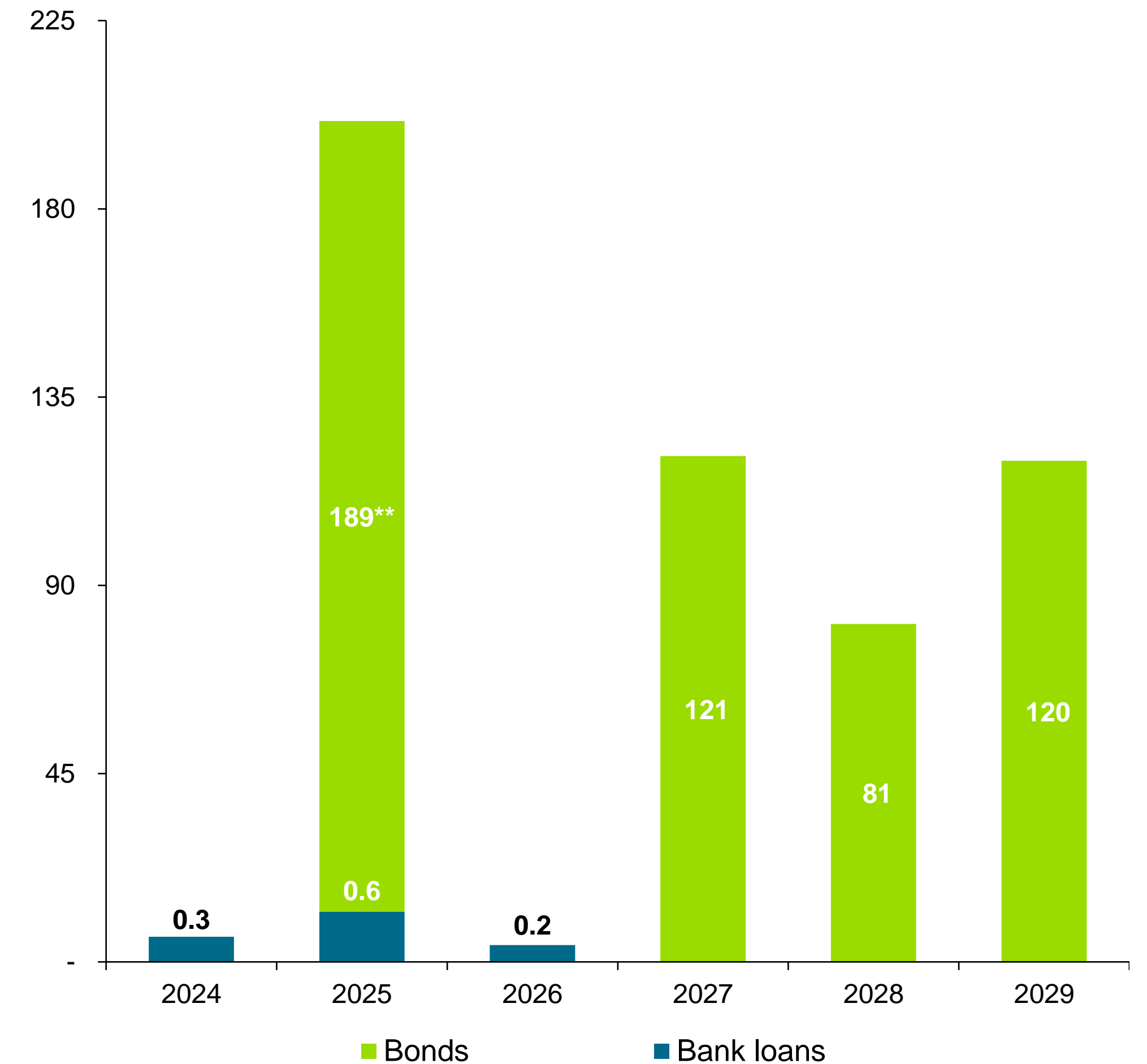
At the end of June 2024, the Company's total current and non-current liabilities decreased by **US\$ 127 million** compared to December 2023. This is mainly due to:

Current liabilities increased by **US\$ 295 million** at June 2024 compared to the end of 2023, mainly due to the increase in other current financial liabilities of **US\$ 187 million**, because the Molymet 23 bond (**US\$ 189 million**) was changed from long-term to short-term debt. It should be noted that this bond was repaid early on **July 11, 2024**. In addition, trade accounts payable increased by **US\$ 113 million** as a result of the increase in the price of molybdenum. On the other hand, current tax liabilities decreased by **US\$ 6 million**.

Non-current liabilities decreased by **US\$ 422 million** at June 2024 compared to the end of 2023, mainly due to the decrease in other non-current financial liabilities of **US\$ 426 million**, as a result of the prepayment of bonds in March 2024 and the change of the Molymet 23 bond to short-term debt. On the other hand, deferred tax liabilities increased by **US\$ 8 million**.

At the end of June 2024, shareholders' equity increased by **US\$ 12 million** compared to the end of 2023, mainly due to an increase in retained earnings of **US\$ 19 million**, partially offset by a reduction in other reserves of **US\$ 7 million**.

FINANCIAL DEBT MATURITY PROFILE\*  
As of the end of June 2024 (US\$ million)



\* USD amounts include debt hedging derivatives.

\*\* This bond was fully prepaid in July 2024 and partially refinanced with a new US\$ 109 million bond maturing in 2028.



# Financial Ratios

**Net Debt / Annualized EBITDA:** decreased between December 2023 and June 2024, reaching a value of **1.8x**. This is mainly due to the **22%** reduction in net financial debt, in addition to the **9%** increase in annualized EBITDA. This indicator is expected to continue trending close to historical levels.

**Debt Ratio:** reached a value of **1.1x** as of June 2024, which represents a decrease of **13%** compared to December 2023. The improvement in this indicator is mainly due to the decrease of **US\$ 127 million** in total liabilities, largely driven by the early redemption of the Molymet 21 bond in March 2024.

**EBITDA / Net Financial Expenses:** increased to **5.3x** as of June 2024, from **3.1x** as of December 2023. This is explained by the fact that annualized Net Financial Expenses decreased by **37%** between both periods, while annualized EBITDA as of June 2024 increased by **9%** compared to the same indicator as of December 2023.

By June 2024, there is an improvement in the **Net Financial Debt / EBITDA** indicator compared to the end of the previous year. The **considerable reduction in net debt by US\$ 64 million** between both periods and the **9% increase** in annualized **EBITDA** as of June 2024, drove this improvement.

**Short and long-term liabilities:** The proportion of long-term liabilities decreased from **77%** as of December 2023 to **44%** as of June 2024. This is mainly due to the reduction in non-current liabilities driven by the prepayment of the Molymet 21 bond in March 2024 and the change of the Molymet 23 bond from long-term to short-term debt. This bond was prepaid in July 2024.

**Current liquidity:** reached a value of **2.4x**, decreasing by **55%** with respect to the **5.2x** recorded at year-end 2023. This is mainly explained by the decrease of **US\$ 29 million** in current assets (mainly cash and cash equivalents and current accounts receivable, offset by an increase in current inventories), together with the increase of **US\$ 295 million** in current liabilities (mainly trade accounts payable and other current financial liabilities).

**Acid Ratio:** decreased from **2.6x** at the end of December 2023 to **1.0x** at June 2024, mainly due to a **116%** increase in current liabilities and a **17%** decrease in current assets other than current inventories. (mainly as a result of the reduction in cash and cash equivalents and current accounts receivable). On the other hand, current inventories increased by **13%** with respect to the end of 2023.

Index	As of June 2024	As of December 2023	Var.
<b>Net Financial Debt / EBITDA</b>	1.8	2.5	-28%
<b>Debt ratio <sup>1</sup></b>	1.1	1.3	-13%
<b>Short-Term Liabilities</b>	56%	23%	↑
<b>Long-Term Liabilities</b>	44%	77%	-43%
<b>EBITDA / Net Financial Expenses <sup>2</sup></b>	5.3	3.1	72%
<b>Current Liquidity <sup>3</sup></b>	2.4	5.2	-55%
<b>Acid ratio <sup>4</sup></b>	1.0	2.6	-62%

<sup>1</sup> Corresponds to total liabilities divided by total equity.

<sup>2</sup> Corresponds to annualized EBITDA divided by annualized net financial expenses.

<sup>3</sup> Corresponds to total current assets divided by total current liabilities.

<sup>4</sup> Corresponds to total current assets, less current inventories, divided by total current liabilities.

\* Annualized: Refers to the last 12 months.

(↑) Indicates a variation greater than 100%.

# Covenants

Considering the waiver granted on the **EBITDA / Net Financial Expenses** covenant, as of June 30, 2024, the Company is in compliance with its financial commitments.

Creditors	Covenant	Condition	As of June 2024	As of December 2023	Validity
Bonds: Chile - Mexico	Minimum Equity (US\$ Million)	≥ 300	876	864	04/20/2029
Bonds: Chile - Mexico	EBITDA(*) / Net Financial Expenses	- (**)	4.74	2.73	04/20/2029
Bonds: Chile - Mexico	Level of Indebtedness	≤ 1.75	0.50	0.58	04/20/2029

(\*) The EBITDA used for the calculation of this covenant does not consider depreciation for rights of use. Also, the write-off of assets of Molymet Belgium for US\$ 10 million is not discounted.

(\*\*) The contractual condition of this covenant is ≥ 5.0, but a *waiver* was granted until December 2024, inclusive.

The specific situation of a rise in the price of molybdenum in 2023 caused a considerable increase in working capital needs during the first and second quarter of that year. This resulted in an increase in Molymet's indebtedness, in a global context of high interest rates, which generated a relevant increase in the Company's net financial expenses, mainly between the second and third quarter of 2023.

This situation generated a decrease in the EBITDA / Net Financial Expenses covenant, and its potential drop below the 5.0x limit was projected for the end of 2023. In anticipation of a possible default, it was agreed with the bondholders to grant a waiver for the covenant for 5 quarterly closings (December 2023 - December 2024, both included). In Chile, an additional consideration was added, which indicates that the waiver would be terminated early in the event of two consecutive covenant defaults during the period. On December 28, 2023, the holders' meetings were held to formalize the agreements reached.

During the second quarter of 2024, the EBITDA/Net Financial Expense covenant increased considerably, so it is practically in compliance levels. This is due to the Company's efforts to reduce its total debt and net financial expense, in addition to the increase in annualized EBITDA as of June 2024.

Considering the waiver granted on the EBITDA / Net Financial Expenses covenant, as of June 30, 2024, the Company is in compliance with its financial commitments.

Risk Rating	S&P Global Ratings	Fitch Ratings	HR Ratings	Feller Rate
International	BBB- (negative)	BBB- (stable)	-	-
Mexico	-	AAA (stable)	AAA (stable)	-
Chile	-	AA- (stable)	-	AA (stable)



# Cash Flow Analysis

Operating activities generated, as of June 2024, a positive cash flow of **US\$ 116 million**, which represents an increase of **US\$ 233 million** with respect to the cash flow generated as of June 2023. This is mainly explained by lower payments to suppliers for the supply of goods and services for **US\$ 391 million** (mainly due to the effect of the lower price in the purchase of molybdenum concentrates) and the lower payment of income taxes, classified as operating activities, for **US\$ 18 million**, which was partly offset by lower collections from the sale of goods and services for **US\$ 101 million** (also influenced by the lower sales price of finished molybdenum products). Additionally, during the period, lower other income from operating activities of **US\$ 84.1 million** was received compared to June 2023, which corresponds to Value Added Tax (VAT) refunds.

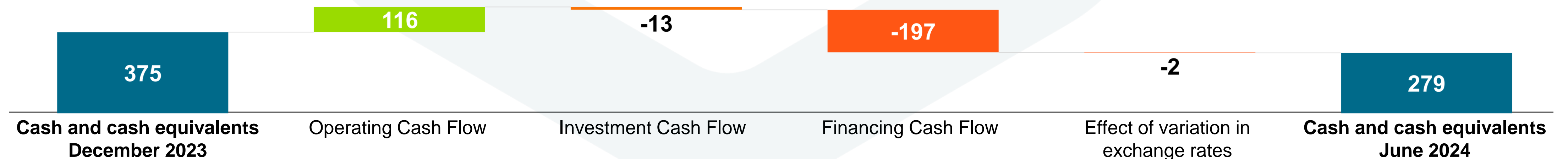
Investing activities generated, as of June 2024, a negative cash flow of **US\$ 13 million**, which represents a higher disbursement of **US\$ 2 million** compared to the second quarter of 2023, when the investment cash flow was **US\$ -11 million**. This difference is mainly explained by higher investments in property, plant and equipment for **US\$ 4 million**, partially offset by higher interest received from investing activities (investment of cash) for **US\$ 2 million**, compared to June 2023.

Financing activities generated, as of June 2024, a negative cash flow of **US\$ 197 million**, which represents a negative variation of **US\$ 514 million** compared to the same period of 2023. This variation was mainly due to the fact that as of the second quarter no borrowings have been requested, compared to the **US\$ 500 million** in short-term loans obtained during the first half of 2023 (of which **US\$ 440 million** were repaid within the same period) and the bond issue for **US\$ 309 million**. This indebtedness was due to the need for working capital investment caused by the increase in the price of molybdenum. On the other hand, the negative cash flow through June 2024 was mainly generated by the prepayment of the Molymet 21 bond for **US\$ 163 million** and the payment of dividends for **US\$ 13 million**.

Consolidated cash flow (US\$ Million)	Q2 2024	Q2 2023	Var.	Var. %
Cash flows from operating activities	116.3	-116.3	232.6	↑
Cash flows from investments activities	-13.2	-11.2	-2.0	-18%
Cash flows from financing activities	-196.9	317.2	-514.1	↓
Effect of variation in exchange rates on cash and cash equivalents	-2.0	-6.6	4.7	70%
<b>Net Cash Flow Variation</b>	<b>-95.8</b>	<b>183.1</b>	<b>-278.8</b>	<b>↓</b>

(↑↓) Indicates a variation greater than 100%.

## Cash Flow Q2 2024





*ABOUT*  
MOLYMET



06

CHAPTER



### **Own sales**

Molymet purchases molybdenum concentrates (molybdenite) and uses its own technology for the treatment and processing of it to produce a wide range of molybdenum products (from molybdenum oxide to pure products) and then sell them to a wide range of customers in the global market

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### **By-products**

As a result of the roasting and oxidation process to which molybdenum must be subjected for processing, Molymet recovers by-products that are then sold in the market. These by-products are rhenium, copper cements and sulfuric acid.

### **Tolling**

Companies in the mining industry deliver molybdenite to Molymet to be processed and then returned to them as a marketable product. This service involves processing fees in favor of Molymet.

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### **Efficiencies**

Molymet has developed proprietary technology that allows it to perfect its oxidation and roasting processes, thus minimizing costs and reducing metallurgical losses.





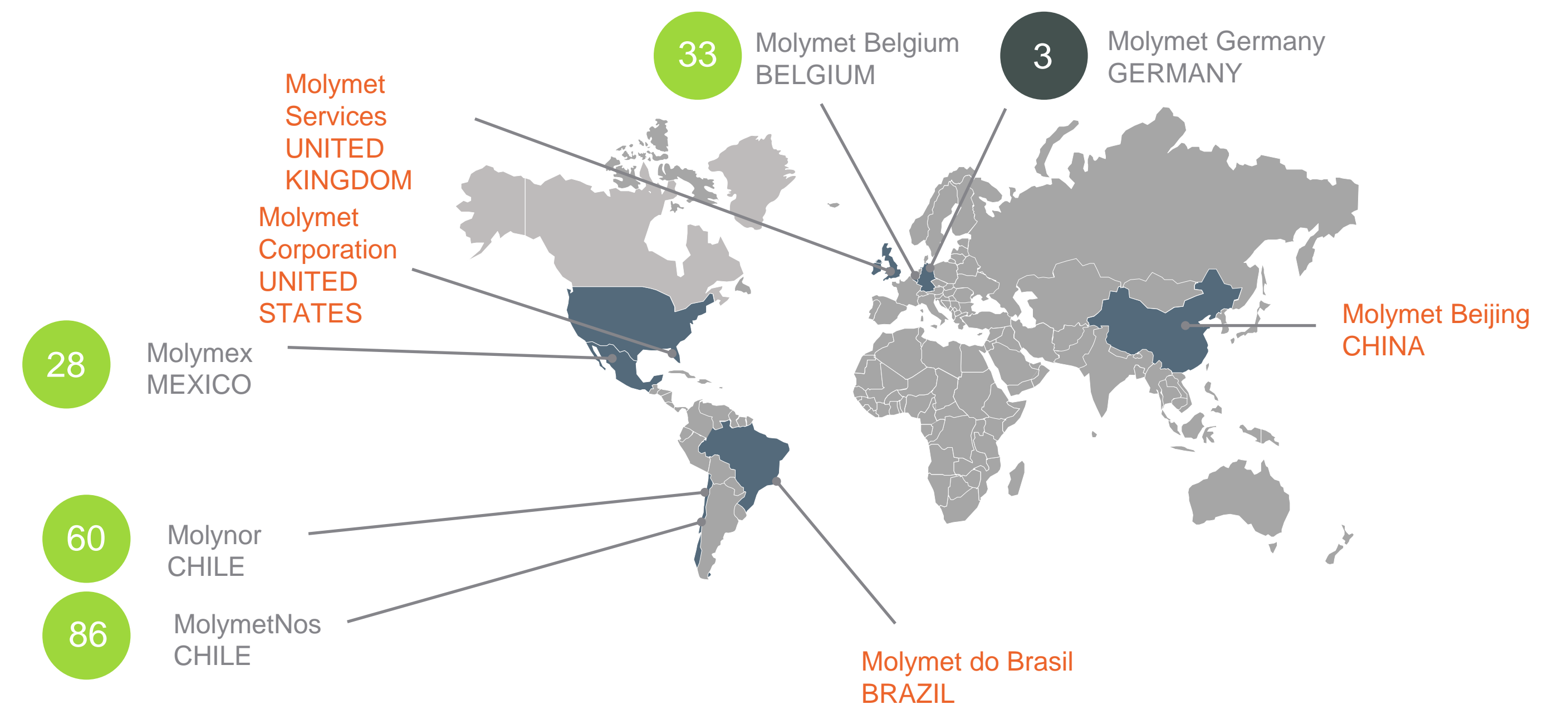
Largest molybdenum processor in the world (35% of world processing capacity).

World molybdenum demand is projected to increase steadily by an average of 2.7%\* in the coming years.

\* Source: International Molybdenum Association, 2023.

# Leadership position and global integration

PRODUCTION PLANTS AND SALES OFFICES  
As of June 30, 2024



- Annual Molybdenum Metal processing capacity in millions of pounds.
- Annual Molybdenum processing capacity in millions of pounds. Total capacity: 207 million pounds per year.
- Production plants
- Commercial offices



# Strategic Agenda

## Sustainability

During 2023, Molymet maintained our focus on strengthening the sustainability of the business, which resulted in our recognition as one of the most sustainable companies in the Metals & Mining industry. This achievement was reflected in our ranking in the top 5% according to S&P's Corporate Sustainability Assessment (CSA), a tool for determining companies' participation in the Dow Jones Sustainability Index. This recognition underscores our strong commitment to environmental, social and governance (ESG) issues.

In parallel, we are dedicated to creating value for our stakeholders. We underwent the Stakeholders Sustainability Index (SSIndex) to evaluate the perception of these groups in relation to risks and sustainability. The results showed a favorable perception by customers, suppliers, employees, communities and authorities with 82% during the year 2023, which represents a ten-point improvement compared to 2021.

In terms of SOFOFA's Sustainable Business Development (IDES), we obtained a score of 83% in 2023, surpassing the average of the companies evaluated by seven points. This achievement is part of our commitment to sustainability and our established goals.

During the same year, our Molynor and Molymet Belgium subsidiaries obtained Molybdenum Mark certification, an extension of the Copper Mark, which promotes sustainable and responsible production and sourcing practices. Our customers can therefore have full confidence that the products we create not only meet today's standards but are also at the forefront of expectations. In addition, our production processes are consciously designed to preserve and care for natural resources.

In environmental terms, we implemented important initiatives focused on reducing emissions and promoting renewable energies. We installed a wind turbine at our European subsidiary, Molymet Belgium, which will enable 80% of the electricity consumed to come from renewable sources. We initiated the final phase of the MolymetNos plant modernization project, which will not only optimize our operations, but will also voluntarily reduce our SO2 emissions allowances at MolymetNos by 40%, thus meeting our commitments for 2025.

In line with our 2030 Sustainability Agenda, where we defined twelve commitments that cover nine of the seventeen Sustainable Development Goals (SDGs) established by the UN, during 2023 we made progress, mainly in the reduction of greenhouse gas emissions in scope 2. We obtained I-REC certifications for MolymetNos and Molynor, which confirm that 100% of the electricity consumed by these subsidiaries comes from renewable sources.

In addition, we increased water reuse to 61%, the use of electricity from renewable sources to 84%, and improved the recovery of our waste.

In addition to our environmental efforts, we have formalized a diversity, equity and inclusion policy where we are committed to creating a fair and non-discriminatory work environment in line with the 2030 Sustainability Agenda. In addition, we strengthen our relationship with the communities through a Social Management and Community Relations policy that promotes close, transparent and constant communication with our neighbors.

## Continuous Excellence

Molymet continues to advance on its path to operational excellence through innovation and the Lean philosophy.

During 2023, we took another step forward in our Lean Transformation, inspired by the constant search for improvement and efficiency in our operations. We consolidated the path towards operational excellence by improving our Lean management model and updating our strategic agenda, focusing on: connecting the strategic with the tactical, the importance of the role of our leaders, the reduction of our operational costs, performance dialogues, agile problem-solving management, and the detection of opportunities for improvement and scaling innovation initiatives. In addition, we continue to develop our team of leaders committed to managing strategic initiatives aimed at excellence.

In Mexico, the "Molymex Innovation Center" was inaugurated, a space dedicated to creativity and the exploration of new ideas to continue being leaders. This center highlights our commitment to the adoption of cutting-edge technologies. We have also strengthened our 3D printing and immersive virtual reality capabilities in our facilities and equipment, enabling us to address challenges in an innovative and efficient manner. Our new innovation methodology enables us to identify key opportunities that drive operational excellence.





# 2030 Sustainability Agenda

Sustainability has been part of our Company and is one of the pillars of Molymet's strategy. As part of the strategy, we have a Corporate Sustainability Strategy focused on generating value to our different stakeholders.

The 2030 Agenda was built on the basis of the Corporate Sustainability Strategy in order to have a roadmap that allows us to focus our efforts in terms of sustainability.

This agenda is composed of 12 commitments with specific goals that seek to generate long-term value for our different stakeholders and contribute to 9 Sustainable Development Goals (SDGs) established by the UN.

Currently, all the group's subsidiaries have their own Sustainability Agenda 2030 adapted to the local reality and context, which have their own initiatives and action plans and which in turn contribute to the Corporate 2030 Sustainability Agenda.

## Our 2030 Commitments

	<b>8</b> DECENT WORK AND ECONOMIC GROWTH		Increase the Labor Relations Index by a total of 10 points.		<b>6</b> CLEAN WATER AND SANITATION		Reach 64% water reuse rate
	<b>4</b> QUALITY EDUCATION		Increase training hours per employee by 15%.		<b>6</b> CLEAN WATER AND SANITATION		Reduce water intensity by 10%.
	<b>5</b> GENDER EQUALITY		Improve indicators of positive perception of Diversity, Equity and Inclusion by 10%.		<b>7</b> AFFORDABLE AND CLEAN ENERGY		Reach 60% of renewable energy consumption
	<b>5</b> GENDER EQUALITY		Achieve 30% of women in leadership positions		<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION		Reach a 40% recovery rate for our waste.
	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES		Investment of at least 1% of the profit in community development		<b>9</b> INDUSTRY, AND INNOVATION INFRASTRUCTURE		5% of EBITDA contribution must be due to diversification
	<b>13</b> CLIMATE ACTION		Reduce greenhouse gas emissions by 20%.		<b>9</b> INDUSTRY, AND INNOVATION INFRASTRUCTURE		At least 1% of revenues in investment in innovation



## Molymet is constantly focused on increasing its efficiency through new technologies, offering customized products and developing long-term relationships with its suppliers and customers.

### Long-term relationships with customers and suppliers

- Production is under medium and long-term contracts.
- Long-term relationships with more than 100 customers worldwide.

### Efficiency and cost control

### Healthy debt levels

### Proprietary technology that allows us to achieve:

- Increased profitability and efficiency.
- Ability to process low-grade molybdenite (unique in the industry).
- Ability to extract by-products: rhenium, copper, sulfuric acid.

The Company has a unique geographic diversification in the industry. The strategic location of its processing plants and commercial offices has allowed the Company to achieve benefits in terms of supply and commercial advantages through a more complete and efficient service for its customers.

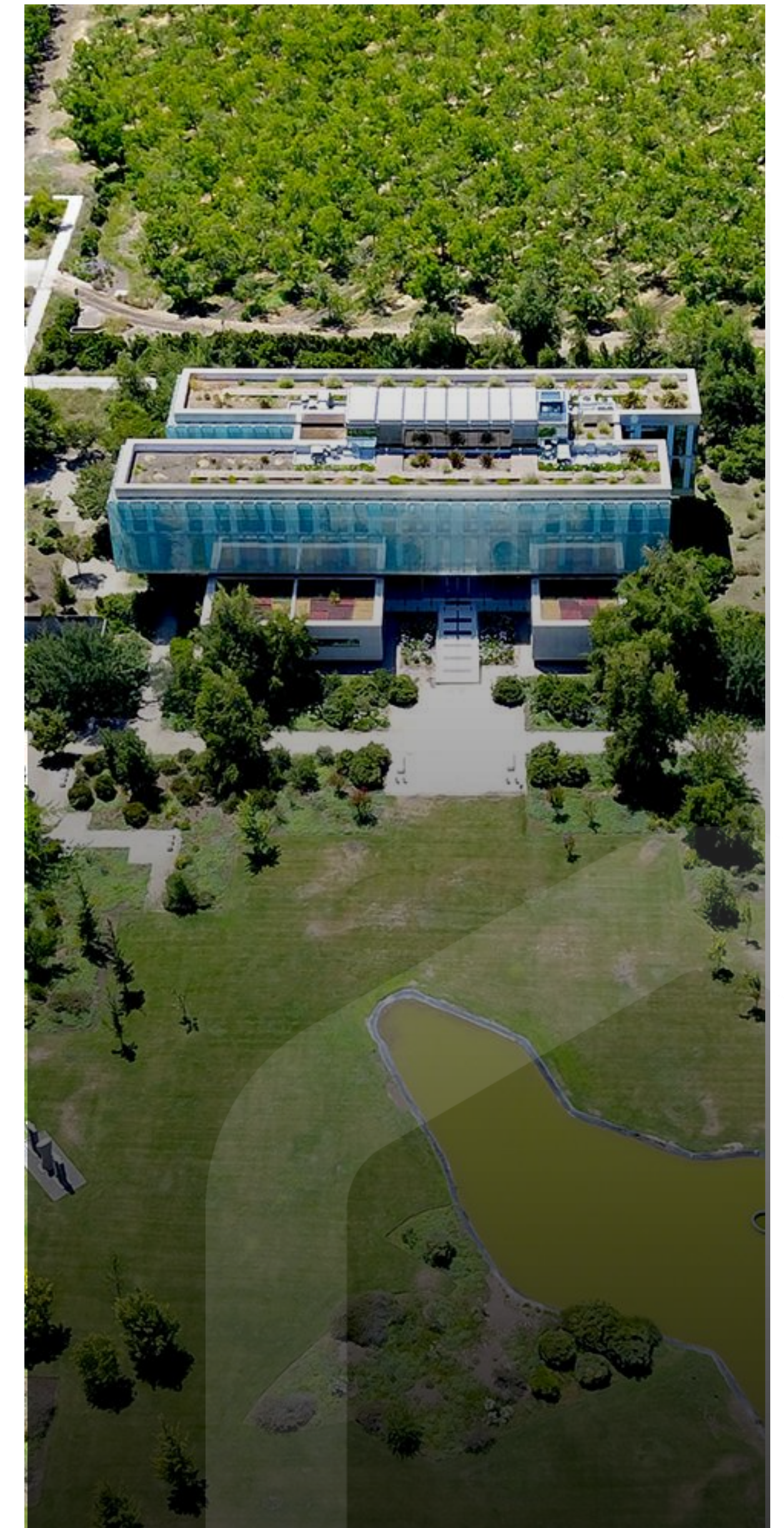
Of the by-products that the Company is able to recover, the most important for Molymet is rhenium. Rhenium is a transition metal that is rarely found in nature. Its main uses are as a catalyst and in super alloys, in components that are highly resistant to high temperatures, such as turbines and engines in the aeronautical industry, among others.

Molymet is constantly working to increase its efficiency through new technologies, offer tailor-made products and develop long-term relationships with its suppliers and customers, thus strengthening and consolidating the situation of all the Company's stakeholders.

During 2011, the Company moved its corporate offices to a new building constructed at Molymet's main plant: the Nos plant in Chile. This new building was the first in South America to achieve **LEED Platinum** certification and is located in Las Lilas Park, a park that is more than 120 years old and is surrounded by 123 hectares of organic walnut trees, which is a very attractive economic land with an important potential for the future. In order to conserve and protect this area, Molymet established in 2022 an **Environmental Conservation Right**, taking a new step in the protection of the environment.

The houses and landscaping of Las Lilas Park were rescued and remodeled, and are now part of the company's culture and a source of pride for the city.

In 2023, a new **solar panel plant** began operating on Molymet's land in Nos, whose generation contributes to sustaining the corporate building. In addition, a **wind turbine** was inaugurated at **Molymet Belgium**, which contributes to 84% of the energy consumed at a consolidated level coming from **renewable sources** (2023).





# Uses of Molybdenum

MAIN BENEFITS OF USING MOLYBDENUM IN THE DEVELOPMENT OF STEELS:

- Significantly improves hardness.
- Improves resistance to high temperatures.
- Improves corrosion resistance.
- Increases durability.
- Improve the efficiency of various processes and technology.



MAIN USES OF OUR PRODUCTS

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

# CONSOLIDATED FINANCIAL STATEMENTS

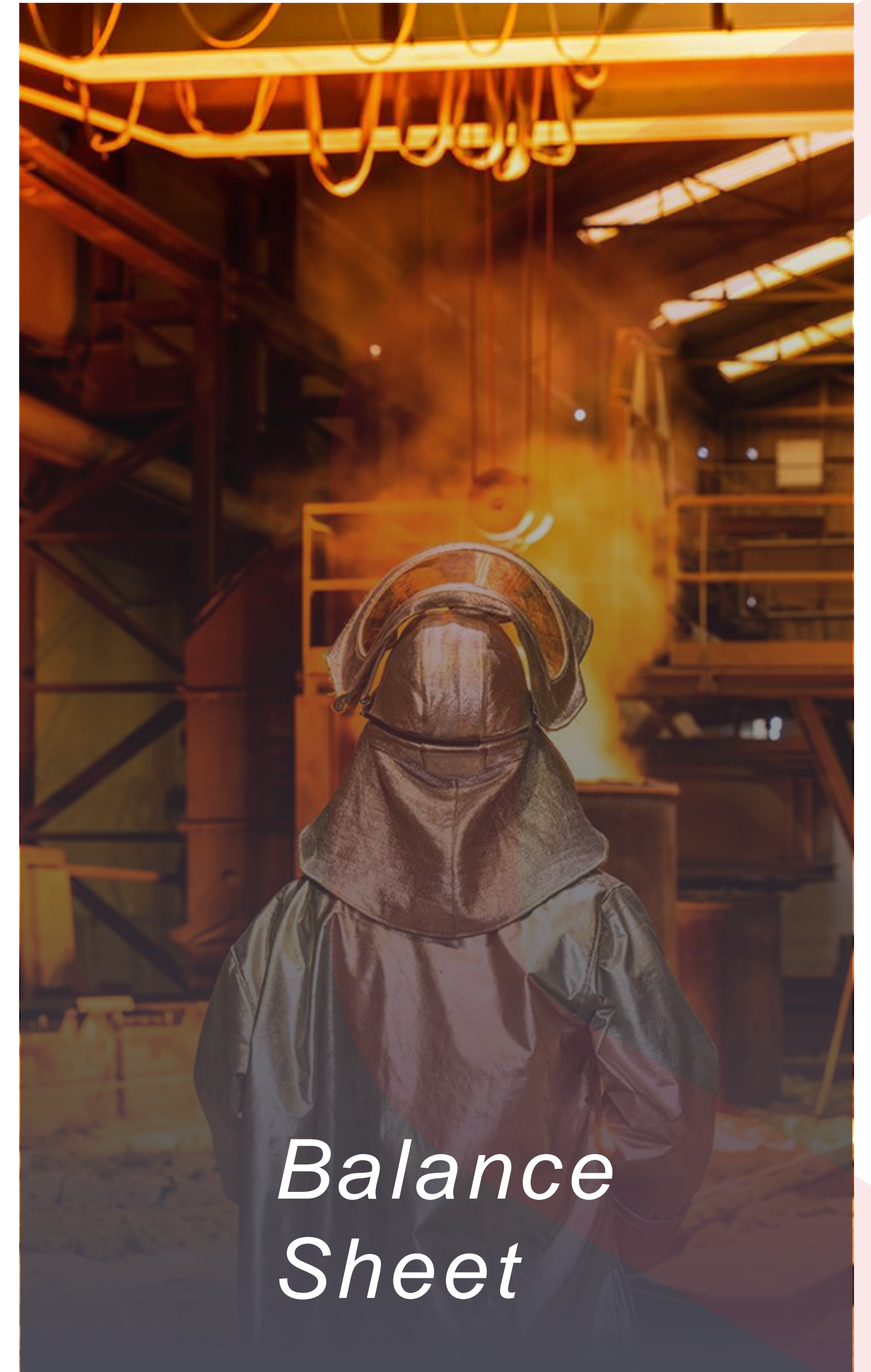






Assets	31-06-2024 THUS\$	31-12-2023 THUS\$	Var. % 2024 / 2023
<b>Current assets</b>			
Cash and cash equivalents	279,411	375,165	-26%
Other current financial assets	2,136	1,120	91%
Other non-financial current assets	23,565	8,887	↑
Trade accounts receivable and other current accounts receivable	192,611	238,094	-19%
Current accounts receivable from related entities	12,403	6,188	↑
Inventories	752,361	668,361	13%
Current biological assets	25	530	-95%
Current tax assets	37,753	30,683	23%
<b>Total current assets</b>	<b>1,300,265</b>	<b>1,329,028</b>	<b>-2%</b>
<b>Non-current assets</b>			
Other non-current financial assets	16,469	97,249	-83%
Other non-current non-financial assets	1,083	1,205	-10%
Trade accounts receivable and other non-current accounts receivable	123	132	-7%
Non-current inventories	47,752	52,783	-10%
Intangible assets other than goodwill	3,074	3,732	-18%
Property, Plant and Equipment	461,841	460,884	0%
Right-of-use assets	8,770	9,768	-10%
Deferred tax assets	13,965	14,199	-2%
<b>Total non-current assets</b>	<b>553,077</b>	<b>639,952</b>	<b>-14%</b>
<b>Total assets</b>	<b>1,853,342</b>	<b>1,968,980</b>	<b>-6%</b>

(↑) Indicates a variation greater than 100%.



*Balance Sheet*



# Balance Sheet

(↑↓) Indicates a variation greater than 100%.

Equity and liabilities	30-06-2024 THUS\$	31-12-2023 THUS\$	Var. % 2024 / 2023
<b>Current liabilities</b>			
Other financial liabilities, current	191,929	5,078	↑
Current lease liabilities	1,767	2,095	-16%
Accounts and other accounts payables, current	322,871	209,832	54%
Tax liabilities, current	2,373	8,206	-71%
Employee benefits provisions, current	14,424	18,138	-20%
Other non-financial liabilities, current	16,178	11,152	45%
<b>Total current liabilities</b>	<b>549,542</b>	<b>254,501</b>	↑
<b>Non-current liabilities</b>			
Other financing liabilities, non-current	332,183	758,392	-56%
Non-current lease liabilities	6,068	7,120	-15%
Other provisions, non-current	949	846	12%
Deferred tax liabilities	70,056	62,496	12%
Employee benefits provisions, non-current	18,773	21,542	-13%
<b>Total non-current liabilities</b>	<b>428,029</b>	<b>850,396</b>	<b>-50%</b>
<b>Total liabilities</b>	<b>977,571</b>	<b>1,104,897</b>	<b>-12%</b>
<b>Equity</b>			
Share capital	501,952	501,952	0%
Retained earnings	388,449	369,979	5%
Other reserves	-16,158	-9,074	78%
Equity attributable to owners of the parent company	<b>874,243</b>	<b>862,857</b>	<b>1%</b>
Non-controlling interests	1,528	1,226	25%
<b>Total equity</b>	<b>875,771</b>	<b>864,083</b>	<b>1%</b>
<b>Total equity and liabilities</b>	<b>1,853,342</b>	<b>1,968,980</b>	<b>-6%</b>



Income statement	30-06-2024 TH US\$	30-06-2023 TH US\$	Var. % 2024 / 2023
Revenue	1,051,974	1,332,633	-21%
Cost of sales	-956,539	-1,242,917	-23%
<b>Gross profit</b>	<b>95,435</b>	<b>89,716</b>	<b>-6%</b>
Other income, by function	903	1,597	-43%
Distribution costs	-9,184	-12,416	-26%
Administrative expenses	-26,793	-26,876	0%
Other expenses, by function	-2,433	-4,103	-41%
Other gains (losses)	1,326	545	↑
<b>Profit (loss) from operational activities</b>	<b>59,254</b>	<b>48,463</b>	<b>-49%</b>
Financial income	15,847	5,920	↑
Financial expenses	-23,892	-27,759	-14%
Exchange rate differences	-477	-1,185	-60%
<b>Income (loss) before taxes</b>	<b>50,732</b>	<b>25,439</b>	<b>99%</b>
Income tax expense	-14,544	-884	↑
<b>Profit (loss) from continuing operations</b>	<b>36,188</b>	<b>24,555</b>	<b>47%</b>
<b>Profit (loss)</b>	<b>36,188</b>	<b>24,555</b>	<b>47%</b>
Income (loss), attributable to owners of the controlling company	35,792	23,970	49%
Income (loss), attributable to non-controlling interest	396	585	-32%
<b>Profit (loss)</b>	<b>36,188</b>	<b>24,555</b>	<b>47%</b>

(↑) Indicates a variation greater than 100%.

