



Results by the end of the third quarter 2020

PRESS RELEASE



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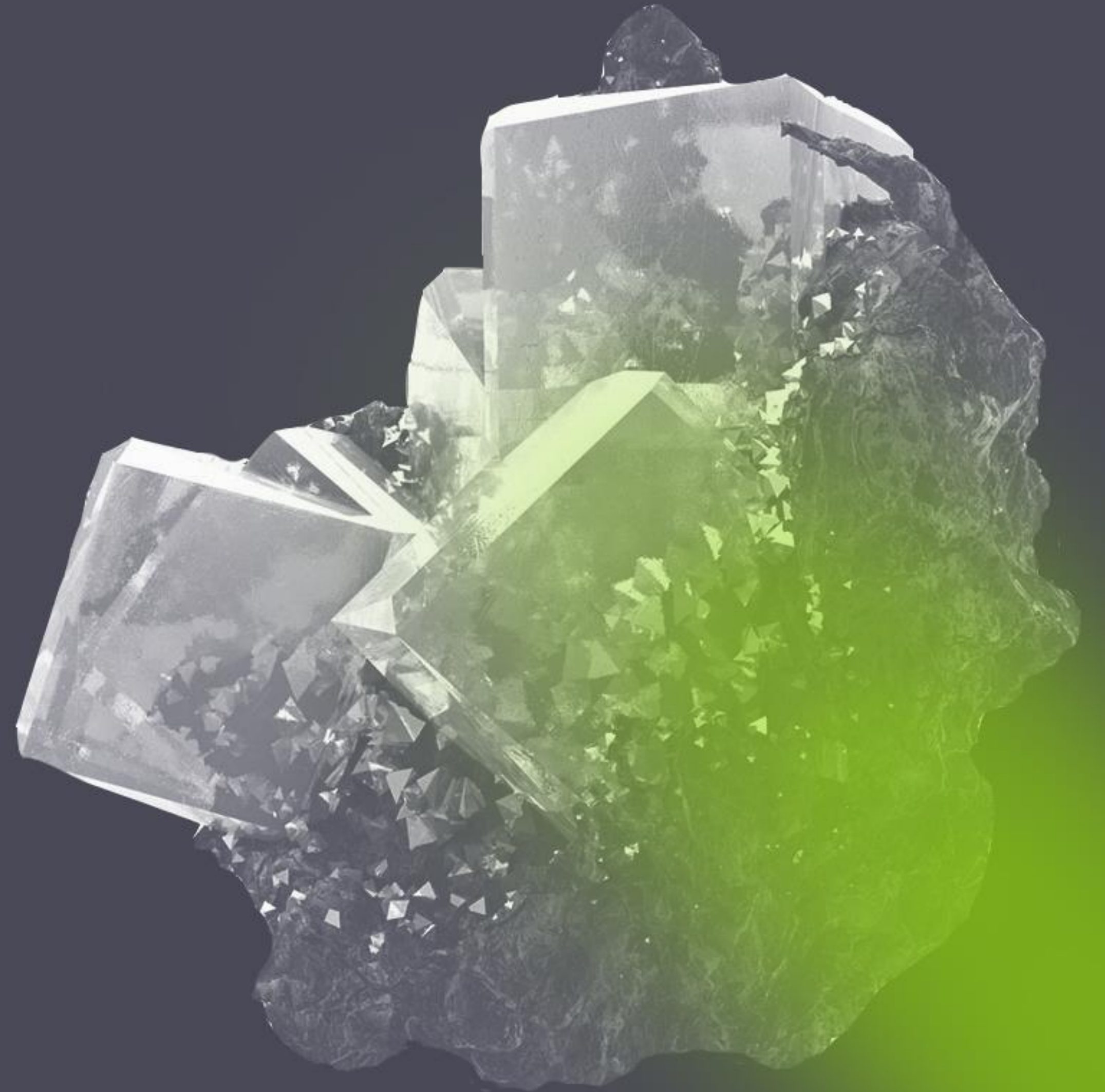
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Chapter 01

Executive summary





123.46

Million pounds totaled the volume of molybdenum products sold by Molymet

EBITDA reached US\$ 78.73 million by September 30th, 2020, a decrease over the same period in 2019, which was US\$ 118.92 million.

Profit attributable to shareholders of Molymet as of September 30th, 2020 was US\$ 28.05 million, a decrease over the same period in 2019, which was US\$ 57.43 million. Which is mainly explained by the lower marketing margins and to the profit generated by the transfer of shareholding of Luoyang Hi-Tech Metals Co., Ltd. in May 2019 for US\$ 11.64 million.

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

Regarding the international price of molybdenum oxide, in average during the year went from US\$ 11.94 per pound by September 2019 to US\$ 8.58 per pound by September 2020, which meant a 28.14% decrease.

To date, Molymet's commercial commitments have not been interrupted due to this pandemic generated by the coronavirus (COVID-19) and all the company's production plants, MolymetNos and Molynor in Chile, Molymex in Mexico, Sadaci in Belgium and Molymet Germany in Germany, are operating normally, achieving greater sales volume over the same period in 2019

The volume of molybdenum products sold by Molymet in all its modalities, by September 2020, totaled 123.46 million pounds, over the 108.08 million pounds sold by September 2019, which meant a 14.23% increase. Within this increase in sales volume, the greater diversification towards markets such as China stands out, maintaining an important presence in Europe, the USA and Asia.

During this year, 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.

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.

By September 30th, 2020, the liquidity level of the company totaled US\$ 250.78 million, which shows a US\$ 50.51 million increase over the end of 2019, mainly derived from a positive operating flow as a result of the decrease in the international price of molybdenum oxide, despite the amortization of debt and the payment of dividends.



By September 30th, 2020, net debt was **negative in US\$ 8.80 million**, due to the cash levels are higher than the company's debt. This represents a **US\$ 87.58 million** decrease over the **US\$ 78.79 million** by the end of year 2019.

By the end of September 2020, Molymet maintains its **Investment Grade** rating in the international market, obtained in 2007. Standard & Poor's confirmed the **BBB-** rating of the company, while Fitch Ratings maintained the **BBB** rating; in both cases with a stable outlook.

Dated April 2nd, 2020, Fitch Ratings ratified Molymet Investment Grade rating in the international market. Thanks to our robust business model and financial position, Fitch Ratings ratified Molymet rating in the international scale (**BBB**) and national **AA-** for Chile and **AAA** for Colombia, both with stable outlook, along with **increasing the national rating in Mexico from AA+ to AAA**. In addition, and in sight of the Coronavirus outbreak progress, the risk rating agency highlighted that **Molymet shows significant inventory levels and a solid liquidity position to face the scenario caused by the COVID-19 pandemic**.

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

The well-being of our employees is one of the priorities we have as a company. That is why, in our constant search for solutions that make a significant contribution to people's lives, the company created the Molymet Collaborator Assistance Program, an initiative that goes in the direction of supporting our teams and their families with advice in legal, financial, and also psychological containment aspects.

Additionally, Molymet has proactively carried out actions to help the community to face this crisis through daily street sanitation programs in neighboring communities, on-line trainings to teach neighbors to apply for competitive funds, and the donation of solidarity merchandise boxes, liquid disinfectant and masks, among others.

In the financial area, Molymet currently has a **robust liquidity position** that has allowed it to meet its financial commitments without **difficulties**, both with its collaborators and with its suppliers. According to the company's financing structure, there are no relevant debt maturities in 2020 and 2021, so there are no significant financial effects due to the COVID-19 emergency. The cash estimates for the short and medium term allow us to project that the company's financial strength will continue.

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. Our Third Sustainability Report is currently being prepared, corresponding to the 2020 period, which will be published during the first quarter of 2021.

Liquidity level of the company totaled

US\$ 250.78 million



Chemiemetall GMBH, based in Bitterfeld-Wolfen, Germany, subsidiary of Molymet Group for over 20 years, changed name acting from February 2020 under its new name “Molymet Germany GMBH”, in order to strengthen the Group global brand.

Regarding the current debt covenants, these are satisfactorily met by the end of September 2020.

Molymet shows a solid financial structure with high levels of liquidity, a comfortable debt maturity profile and broad access to financing markets. It is worth noting that in the next two years, Molymet does not have relevant debt maturities.

At the Ordinary Shareholders' Meeting held on April 21st, 2020, it was agreed to distribute the final dividend No. 88 charged to the profits of fiscal year 2019, for a total of US\$ 33.25 million, equivalent to US\$ 0.25 per share.

On April 21st, 2020, the Molymet Board of Directors agreed to renew the Company Board, naming misters Raúl Álamos L., George Anastassiou M., José Miguel Barriga G., Boris Buvinic G., Luis F. Cerón C., Hernán Cheyre V., Eduardo Guilisasti G., Juan Manuel Gutiérrez P., Bernhard Schretter y Karlheinz Wex. In the board session N°970, on April 21st 2020, Mr. George Anastassiou M. and Mr. Karlheinz Wex were appointed as Board President and Vice-president, respectively.

On June 9, 2020, the Molymet Board of Directors was informed the resignation of the Director Mr. Bernhard Schretter, which became effective as of June 30, 2020.

The Company's Board of Directors agreed on June 23, 2020, to appoint Mr. Wolfgang Koeck to replace Mr. Bernhard Schretter, in the position of Director, effective as of July 1, 2020 and until the next ordinary shareholders meeting, moment in which the Board must be totally renewed.

On October 2, 2020, the Colombian Stock Exchange approved the **renewal of the Issuer Recognition - IR to Molymet**, which will be valid for one year from this date. This Recognition seeks to highlight the issuers in the Colombian market that voluntarily adopt best practices in the disclosure of information and investor relations.



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.





Sustainability

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

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

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

Among the notable milestones in this area is the launch of Molymet's First Sustainability Report at the end of 2018. During 2020, the [Second Molymet Sustainability Report](#) was presented. Our third Sustainability Report is currently under preparation, corresponding to the 2020 period, which will be released in the first quarter of 2021.

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

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

Digital Transformation

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

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

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

Operational Excellence and LEAN Transformation

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

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

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

Chapter 02

Our Company





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

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

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

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

Since year 2007, Molymet maintains an Investment Grade rating.

By the end of September, 2020, Molymet's total processing capacity is 207 million pounds of molybdenum per year, which is compared to an approximate worldwide consumption of 570 million pounds of Mo per year. ¹

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

Molymet holds a long-term agreement portfolio providing stability to the business. The tolling agreement with Sierra Gorda for 10 years starting on 2014, the one of Kennecott for 3 years starting on 2018 and the one with Codelco for 10 years starting on 2010, which was renewed for 3 years until 2022.

¹They correspond to pounds of molybdenum contained



New Investment projects

The Chemical Plant at the Sadaci N.V. subsidiary in Belgium is currently in the testing and commissioning phase. This Plant, which adds to its current roasting operations, will allow for the development of greater value-added products, in addition to a greater flexibility in the processing of molybdenum concentrates.

It is noted that the aforementioned Project includes commissioning during the first semester of 2021; an estimated investment of US\$ 55.00 million; will be carried out with its own resources, with no external partners; and financial impacts are not expected in the short term. At the end of September 2020, this Project shows a physical progress of 99%.

On May 29th, 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.

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





Geographic diversification

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

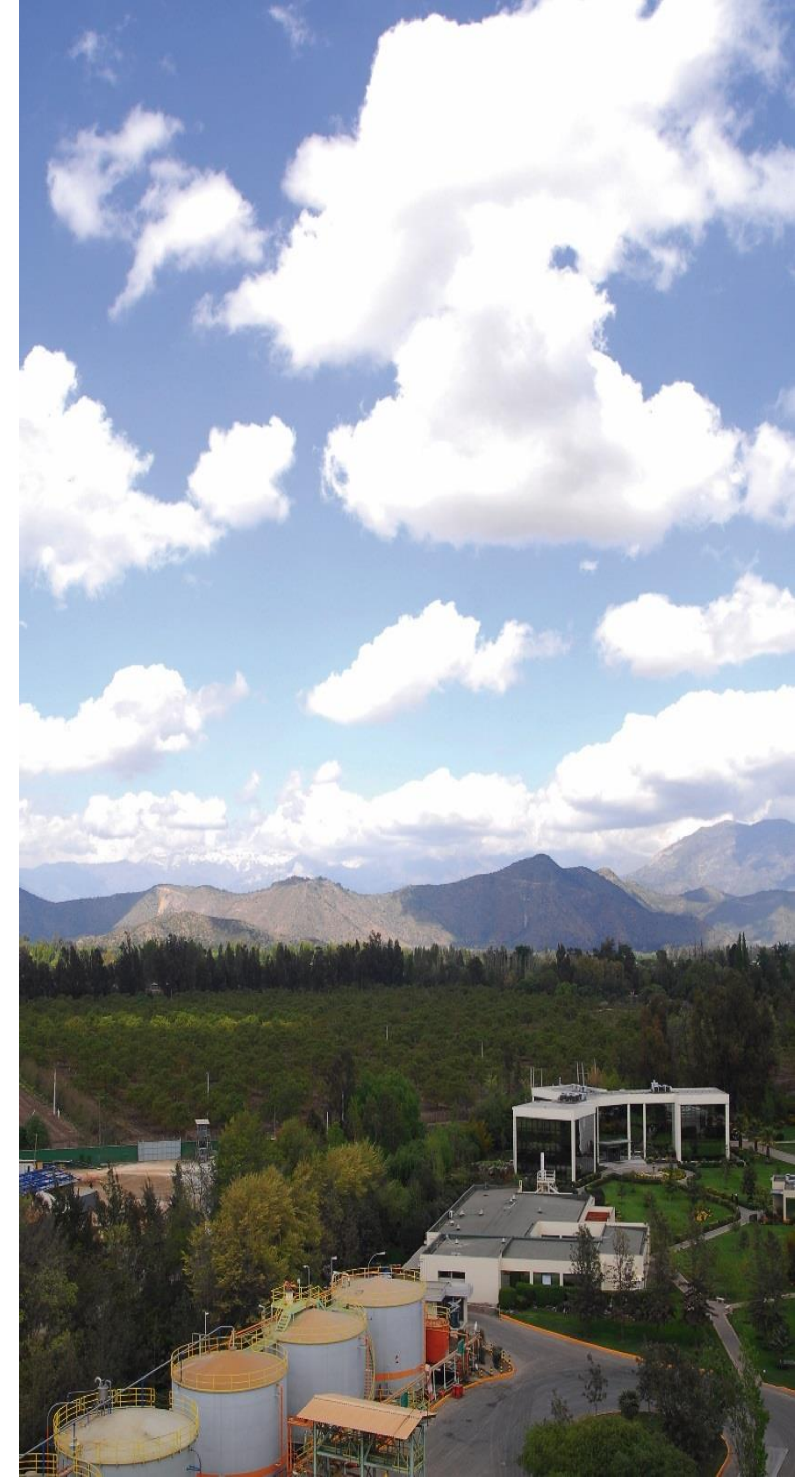
In order to preserve the know how developed by the company, Molymet has changed its corporate **Intellectual Property Policy**, including the highest standards in Intellectual Property rights protection, management and compliance, thus adopting the appropriate measures to avoid leaks of this knowledge.

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

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

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

Patent application number 201803101 was filed on October 30th, 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 is currently being processed normally. Additionally, the patent application was entered in the United States, Canada, Australia and Peru.





80 years of
experience

Long term
agreements

Investment
Grade

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

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Molymet, through its Real Estate subsidiary, Inmobiliaria San Bernardo, has among its assets a lot of **133.6 hectares**, of which **123 hectares** have organic walnuts. These hectares are located around the Molymet Nos plant, which is located in a **42.9 hectares** lot. Together, both properties reach an approximate total of **176.5 hectares**, which constitutes a lot with a great economic appeal, with a significant future potential.

Chapter 03

Summary by the third quarter 2020





Consolidated sales of Molymet totaled, by the end of June 2020, US\$ 768.00 million, which is a 15.29% decrease over the US\$ 906.64 million obtained by the end of September 2019.

Profit attributable to Molymet shareholders by September 30th, 2020 was US\$ 28.05 million, compared to the US\$ 57.43 million profits obtained by September 30th, 2019, originated mainly as the result of the lower gross profit with respect to the same period of the previous year for US\$ 32.12 million.

EBITDA reached US\$ 78.73 million by September 30th, 2020, a decrease of 33.80% over the same period in 2019, which was US\$ 118.92 million. This is mainly due to the decrease in gross profits at the end of the period, for US\$ 32.12 million over September 2019.

Consolidated net debt by September 2020 decreased US\$ 87.58 million, going from US\$ 78.79 million in December 2019 to negative US\$ 8.80 million in September 2020, that is mainly explained by the fact that consolidated debt decreased by 13.28%, while cash increased by 25.22%.

Accumulated results

Highlights

SALES
US\$ 768.00 million

EBITDA
US\$ 78.73 million

NET DEBT
US\$ (8.80) million





Featured Figures

Accumulated results

Molymet increased its cash from US\$ 200.27 million by December 2019 to US 250.78 million by September 2020.

By the end of September 2020, US\$ 19.99 million were invested, over the US\$ 44.52 million in the same period of year 2019.

By the end of September 2020, Molymet's total processing capacity is 207 million pounds of molybdenum per year, which is compared to an approximate worldwide consumption of 570 million pounds of Mo per year¹.

	Q3 2020	Q3 2019	VAR Q3 2020 / Q3 2019 MM USD %	
Sales Income (mm USD)	768.00	906.64	-138.64	-15.29%
EBITDA (mm USD)	78.73	118.92	-40.19	-33.80
EBITDA Margin	10.25%	13.12%	-	-287 bps
Net Profit (mm USD)	28.05	57.43	-29.38	-51.16%
CAPEX (mm USD, without VAT)	19.99	44.52	-24.53	-55.10%
EBITDA / Financial Expenses	7.48	7.04*	-	6.25%
Net Debt (mm USD)	-8.80	78.79*	-87.59	↓
Average Mo Price (USD/Lb)	8.58	11.94	-	-28.14%

¹ They correspond to pounds of molybdenum contained

* Value by December 2019

Chapter 04

Analysis of results





Q3 2020 vs Q3 2019

Consolidated volumes of Molybdenum products sold by Molymet, in all its modalities, by the end of September 2020 was 123.46 million pounds, compared to 108.08 million pounds by the same period in 2019. By the end of September 2020, accumulated ordinary revenue totaled US\$ 768.00 million, which accounts for a 15.29% decrease over the US\$ 906.64 million obtained by the end of September 2019.

In terms of the production mix, own sales represent 60.08% of the total volumes sold of molybdenum products by the end of september 2020.

Variations in the business units of Molymet were the following:

Volumes and Income Summary

	Volumes			Total revenue MM US\$		
	Q3 2020	Q3 2019	Var. %	Q3 2020	Q3 2019	Var. %
Own Sales* (mm Pounds)	74.17	62.70	18.29%	688.16	804.58	-14.47%
Tolling (mm Pounds)	49.28	45.37	8.62%	53.94	47.85	12.73%
Rhenium (Pounds)	20,049	46,761	-57.12%	17.00	44.21	-61.55%
Metallic Mo (mm Pounds)	1.45	2.13	-31.92%	20.96	36.00	-41.78%
Byproducts** (Tons)	93,721	76,826	21.99%	8.90	10.00	-11.00%
Efficiencies (Pounds)	520,306	768,562	-32.30%	4.81	9.20	-47.72%

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



Q3 2020 vs Q3 2019

04. Analysis of results

Results by the end of the third quarter 2020

Own sales volumes totaled 74.17 million pounds by the end of September 2020, increasing 18.29% over the same period of 2019. Regarding revenues of this business unit, these decreased, by September 2020, 14.47% over the same period in 2019. This decrease in income is explained by the decrease in the sales of 31.06% for ferromolybdenum, 36.27% for technical oxide-briquettes, and 14.73% for pure oxide Sandy grade, which was partially offset by an increase in 7.69% for technical oxide-powder.

7.69%

Higher revenues from
technical oxide-powder

24.87%

Higher revenues from tolling of
technical oxide-powder

Tolling volumes totaled 49.28 million pounds by the end of September 2020, increasing 8.62% over the same period in 2019. Regarding revenue from this business unit, these increased 12.73% over the same period in 2019. This is mainly the result of an increase in technical oxide-powder tolling for 24.87%, and in technical oxide-briquettes tolling for 3.77%, which was partially offset by a decrease in ferromolybdenum tolling for 26.96%.





Q3 2020 vs Q3 2019

04. Analysis of results

Results by the end of the third quarter 2020

Rhenium sales volumes rose to 20,049 pounds by the end of September 2020, decreasing 57.12% over the same period in 2019. Regarding revenues of this product, these decreased 61.55% over the same period in 2019.

Metallic molybdenum sales totaled 1.45 million pounds by the end of September 2020, decreasing 31.92% over the same period of 2019. Regarding revenues obtained from this product, these decreased 41.78%, over the same period of 2019.

Other byproducts sales volume totaled 93,721 tons by the end of September 2020, increasing 21.99% over the same period in 2019.

Regarding revenues of this business unit, these decreased 11.00% over September 2019.

The sales volume of efficiencies obtained by the company (metallurgic earnings) totaled 520,582 pounds by the end of September 2020, which is 32.30% lower than the amount recorded in the same period of 2019.

Regarding revenue obtained, this decreased 47.72% over the same period of 2019. This is due to a lower volume obtained from efficiencies, and lower international Mo prices during 2020.



80
Years of
experience



Q3 2020 vs Q3 2019

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\$ 11.94 per pound by September 2019, to US\$ 8.58 per pound by September 2020, which meant a 28.14% decrease.

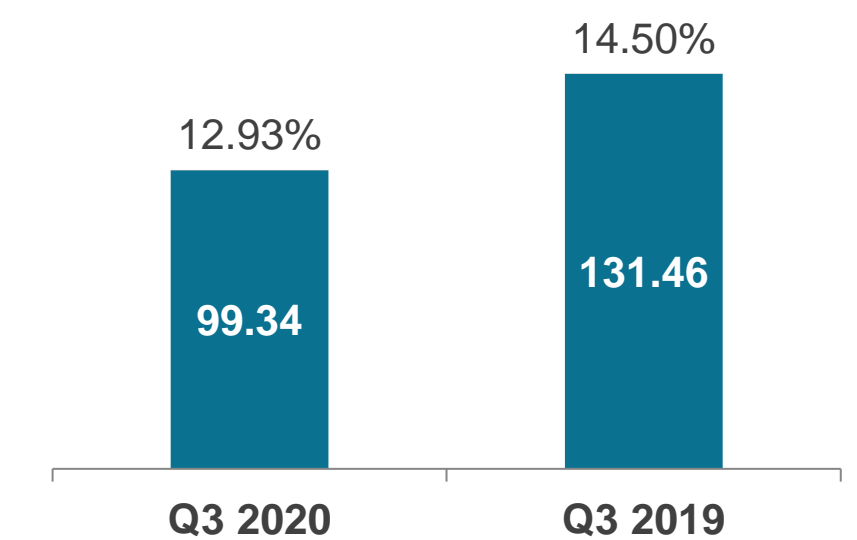
Consolidated cost of sales by September 30th, 2020 totaled US\$ 668.66 million, showing a decrease of 13.74% over the US\$ 775.18 million registered by the end of September 2019.

By September 30th, 2020, gross profit totaled US\$ 99.34 million, which accounts for a 24.43% decrease over the US\$ 131.46 million obtained by the end of September 2019.

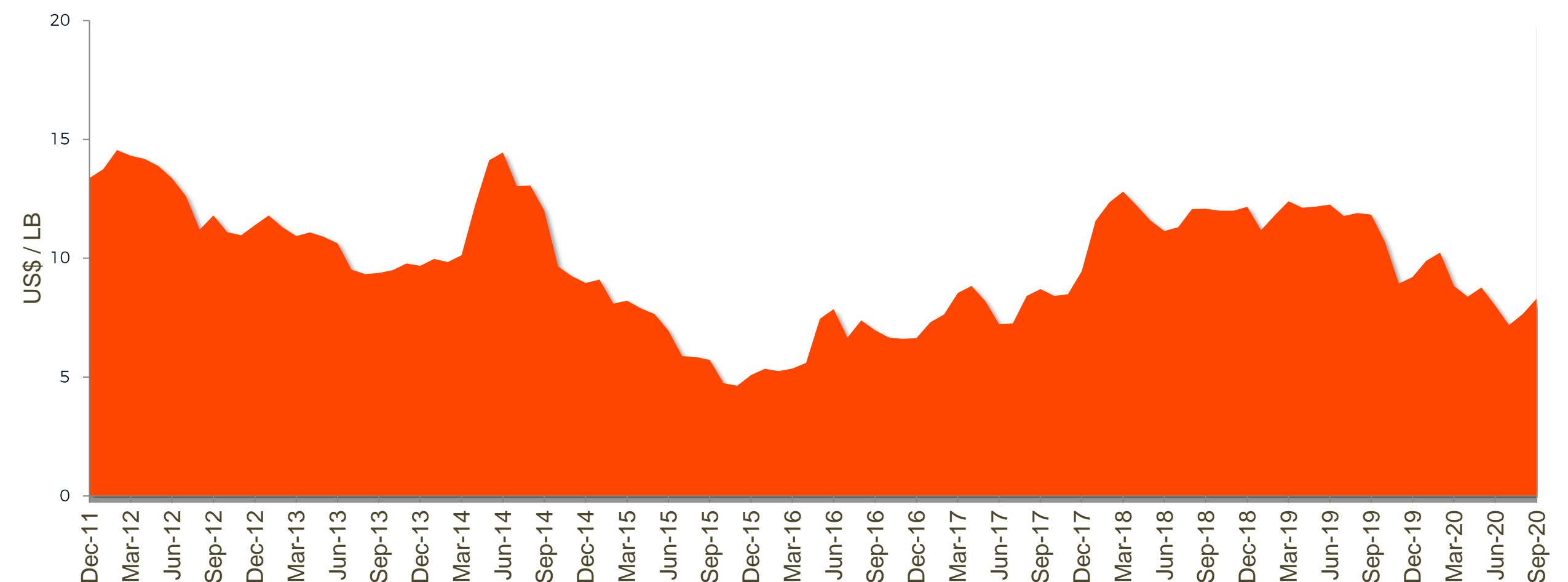
Administration and sales expenses totaled US\$ 33.06 million by the end of September 2020, decreasing 17.61% over the same period in 2019. When measured as a percentage over sales revenues, these rose to 4.30% by the end of September 2020.

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

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



MO AVERAGE MONTHLY PRICES
Metals Week D.O. USA





Q3 2020 vs Q3 2019

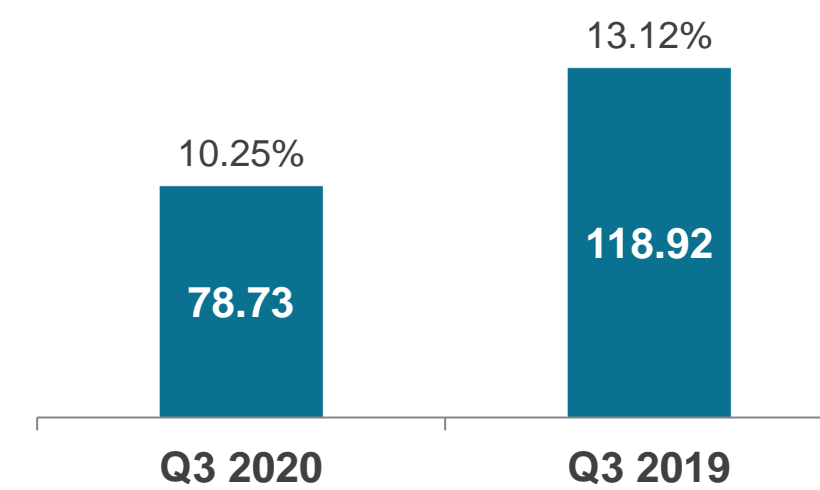
04. Analysis of results

Results by the end of the third quarter 2020

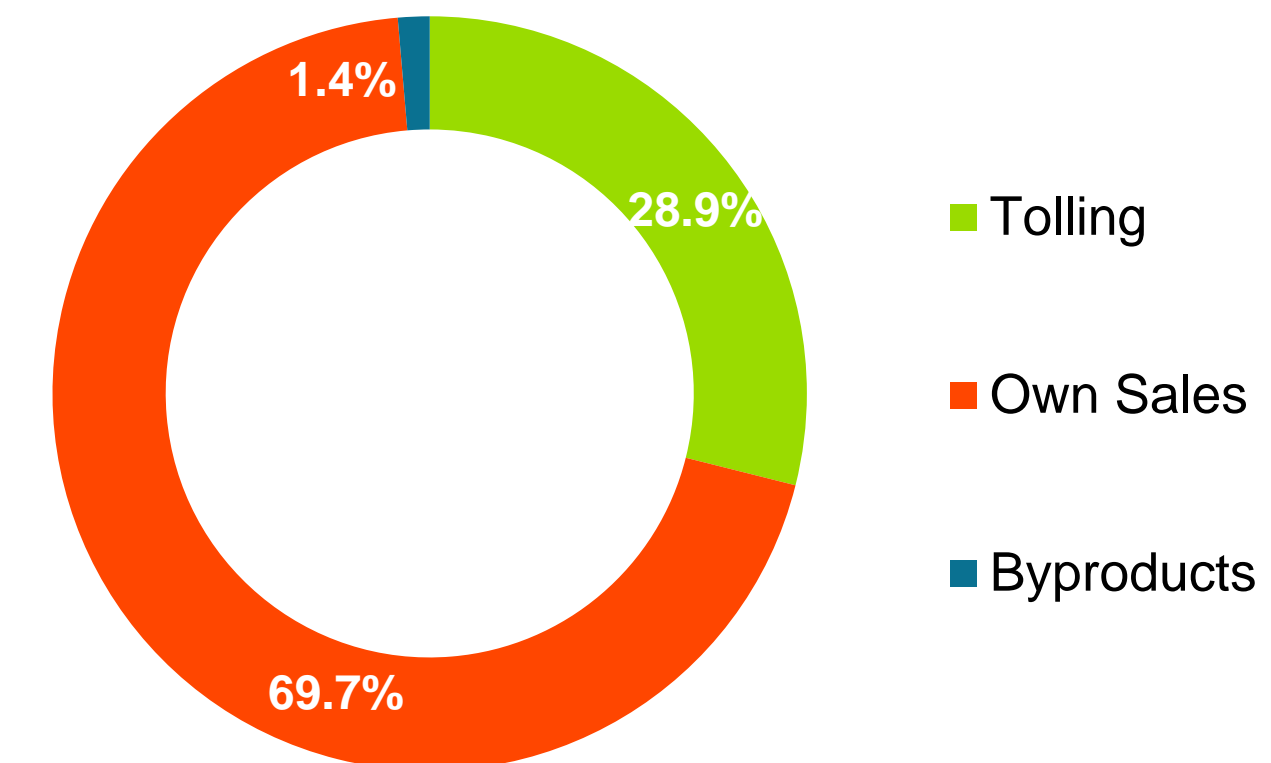
By September 30th, 2020, EBITDA totaled US\$ 78.73 million, showing a 33.80% decrease over the same period in 2019, which was US\$ 118.92 million. This is mainly due to the decrease in gross profit by the end of the period for US\$ 32.13 million obtained by September 2019.

Profit attributable to Molymet shareholders by September 30th, 2020 was US\$ 28.05 million, compared to the profits of US\$ 57.43 million obtained by September 30th, 2019, originated mainly as the result of the lower gross profit with respect to the same period of the previous year for US\$ 32.13 million.

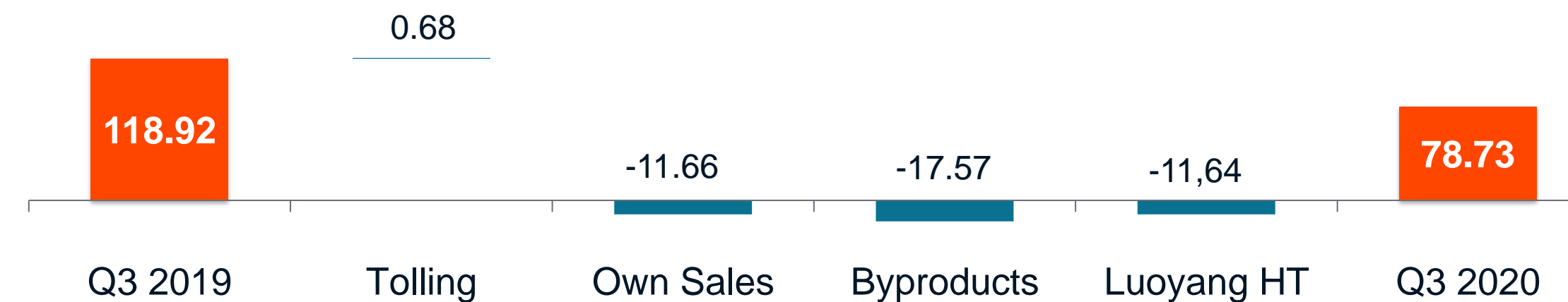
EBITDA MARGIN AND
EBITDA EVOLUTION
(MM US\$)



EBITDA COMPOSITION
Q3 2020

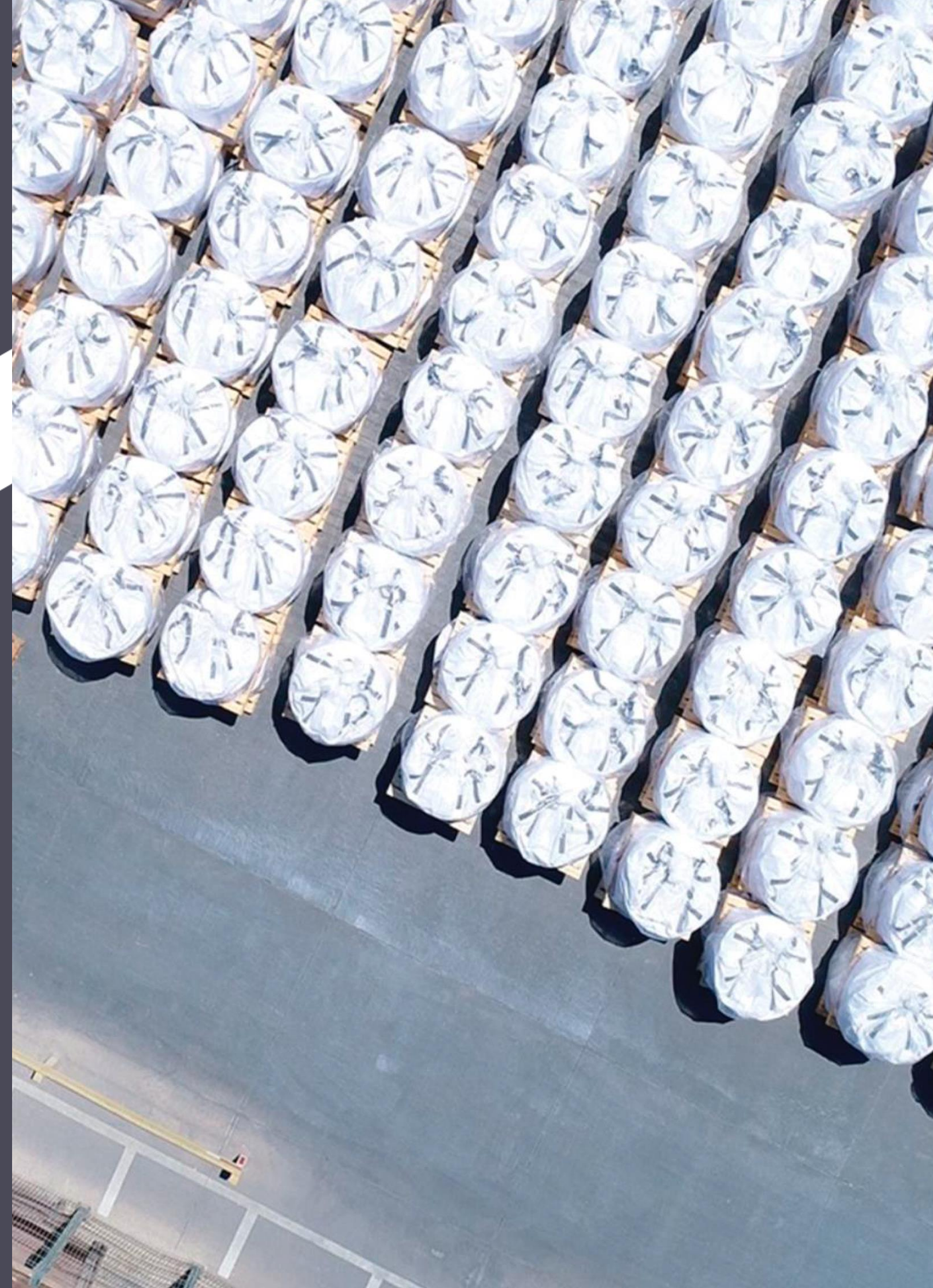


EBITDA COMPOSITION VARIATION
(MM US\$)



Chapter 05

Consolidated balance sheet analysis





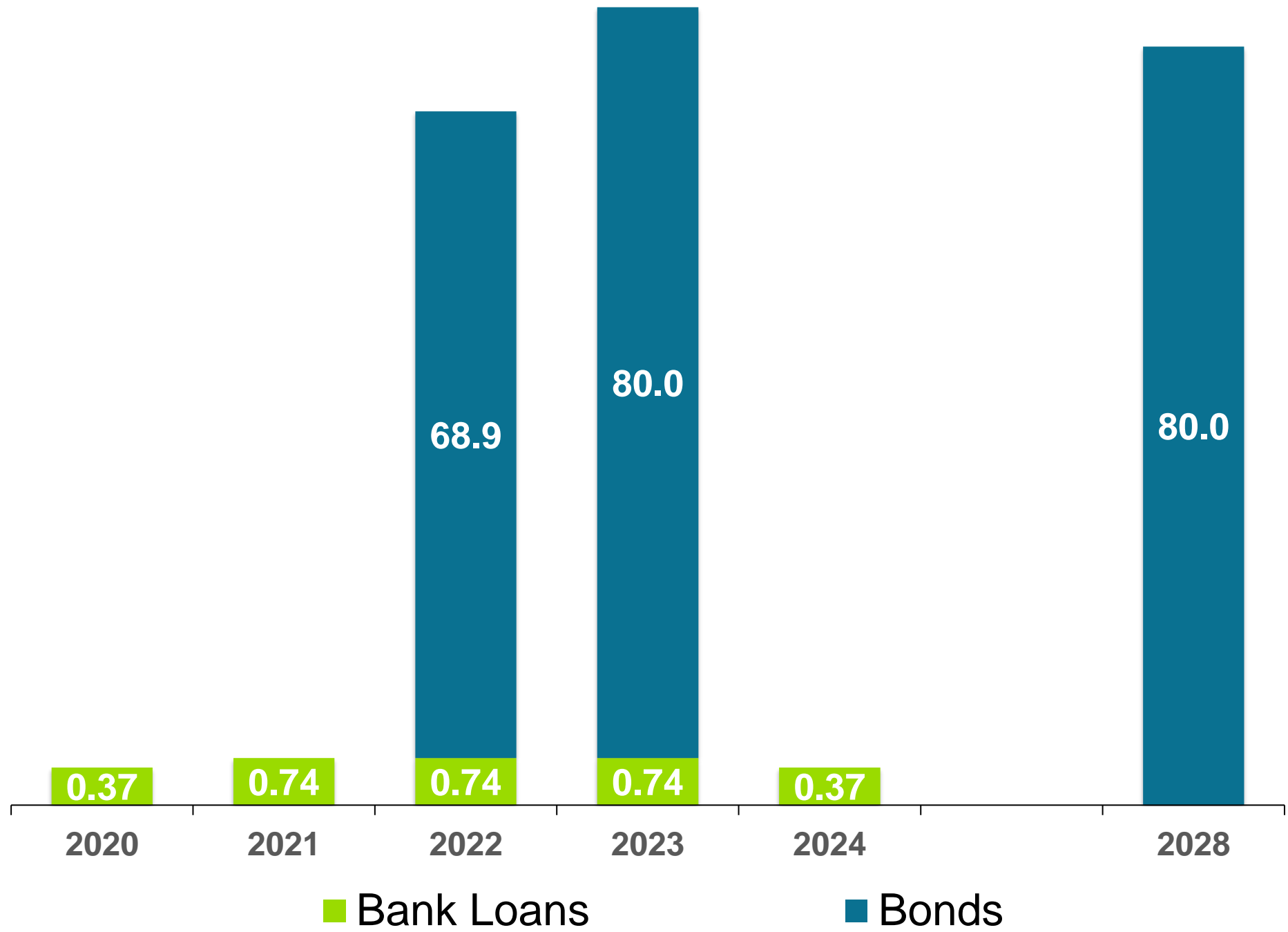
By September 30th, 2020, total assets of the company show a decrease of US\$ 62.52 million over the end of December 2019

By September 30th, 2020, total assets of the company show a decrease of US\$ 62.52 million over the end of December 2019. This is mainly due to:

Current assets decreased, by September 30th, 2020, in US\$ 69.79 million, over the end of December 2019. This mainly reflects upon the decrease in current inventories for US\$ 58.59 million, in trade an other receivables for US\$ 50.21 million, and in tax assets for US\$ 13.58 million, which was partly offset by the increase in cash and cash equivalent for US\$ 50.62 million.

Non-current assets show an increase, by September 2020, of US\$ 7.27 million over the end of 2019, mainly explained by the increase in deferred tax assets for US\$ 4.45 million, and in non-current inventories for US\$ 3.22 million, which was partly offset by the decrease in property, plant and equipment for US\$ 2.68 million.

FINANCIAL DEBT MATURITY PROFILE
by September 30th, 2020 (US\$ MM)





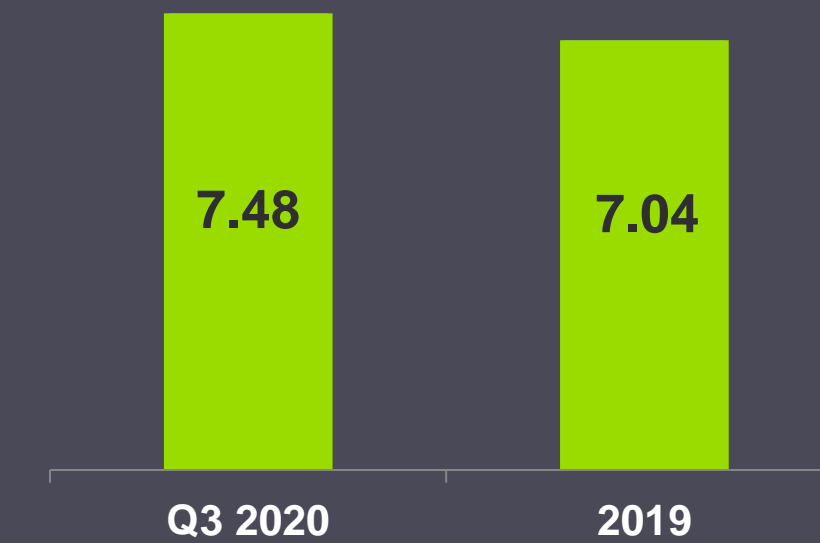
By the end of September 2020, the total of current and non-current liabilities of the company decreased **US\$ 69.18 million** over the end of 2019. This is mainly due to:

Current liabilities decreased, by September 2020, in **US\$ 70.25 million** over the end of December 2019, mainly explained by the decrease in other financing liabilities for **US\$ 40.39 million**, in current non-financing liabilities for **US\$ 14.17 million**, in trade accounts and other payables for **US\$ 9.29 million**, in current tax liabilities for **US\$ 4.42 million**, and in post-employment benefits for **US\$ 2.13 million**.

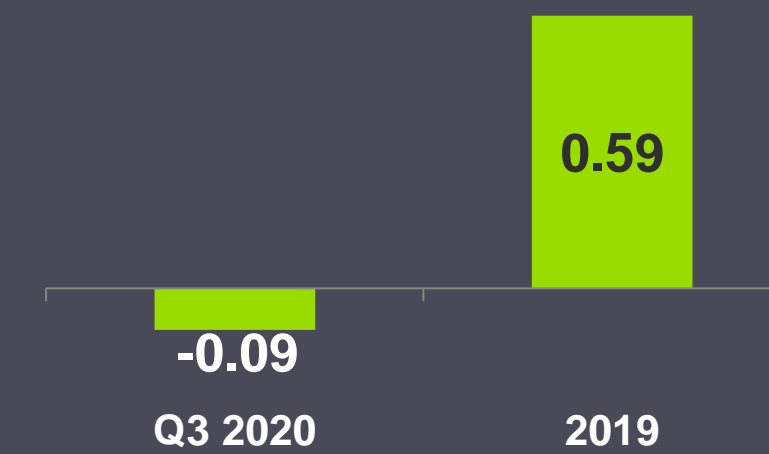
Non-current liabilities increased, by September 2020, in **US\$ 1.07 million** over the end of December 2019, mainly explained by the increase in other non-current financial liabilities for **US\$ 3.32 million**, which were partly offset by the decrease in deferred tax liabilities for **US\$ 1.92 million**, and in post-employment benefits for **US\$ 0.95 million**.

Net equity, by the end of September 2020, recorded a **US\$ 6.66 million** increase over the end of year 2019, mainly explained by an increase in accumulated profits for **US\$ 8.61 million**, which was partly offset by the decrease in other reserves for **US\$ 1.88 million**.

EBITDA / FINANCIAL EXPENSES



NET DEBT/ EBITDA





Financial ratios

Net Debt to EBITDA ratio: decreased 115.25% between December 2019 and September 2020, reaching a value of -0.09 times. The above is due to a decrease in net debt of 19.16%, reaching negative levels, while the annualized EBITDA decreased by 29.87%, compared to the end of 2019. It is the management view that this value corresponds to a completely appropriate level for the company.

Debt ratio: decreased 12.50% over December 2019, reaching a value of 0.70 times by September 2020. The above is mainly explained by the result of the liabilities decrease, while equity increase compared to the end of 2019.

Short Term Liabilities %: decreased from 40.34% in December 2019 to 32.13% by September 2020, mainly due to the payment of US\$ 40.00 million, corresponding to a bank loan, to the decrease in other current non-financial liabilities for US\$ 14.17 million, in accounts payables for US\$ 9.29 million, in current tax liabilities for US\$ 4.42 million, and in post-employment benefits for US\$ 2.13 million.

Long Term Liabilities %: Increased, from 59.66% by December 2019 to 67.87% by September 2020, due to the decrease in short term liabilities for US\$ 71.25 million, while the long-term liabilities increased in US\$ 1.07 million.

EBITDA / Financial Expenses: Showed a 6.25% increase going from 7.04 times by the end of year 2019 to 7.48 times by September 2020, which is mainly explained by the greater decrease in financial expenses compared to the EBITDA, with respect to these same values at the year ended 2019.

Current liquidity: By the end of September 2020 totals 4.14 times, increasing 29.38% over the 3.20 times by the end of December 2019. The above is explained by the decrease in current liabilities, greater than the decrease in current assets.

Acid Ratio: Increased, going from 1.55 times by December 2019 to 2.14 times by September 2020, due to the decrease in current liabilities, greater than the decrease in current assets, and the decrease in current inventories for US\$ 58.59 million.

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

Ratio	December 2019	September 2020	VARIATION % 2019 / Q3 2020
Net Debt / EBITDA	0.59	-0.09	↓
Debt Ratio ¹	0.80	0.70	-12.50%
% Short Term Liabilities	40.34%	32.13%	-20.35%
% Long Term Liabilities	59.66%	67.87%	13.76%
EBITDA / Financial Expenses ²	7.04	7.48	6.25%
Current Liquidity ³	3.20	4.14	29.38%
Acid Ratio ⁴	1.55	2.14	38.06%

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

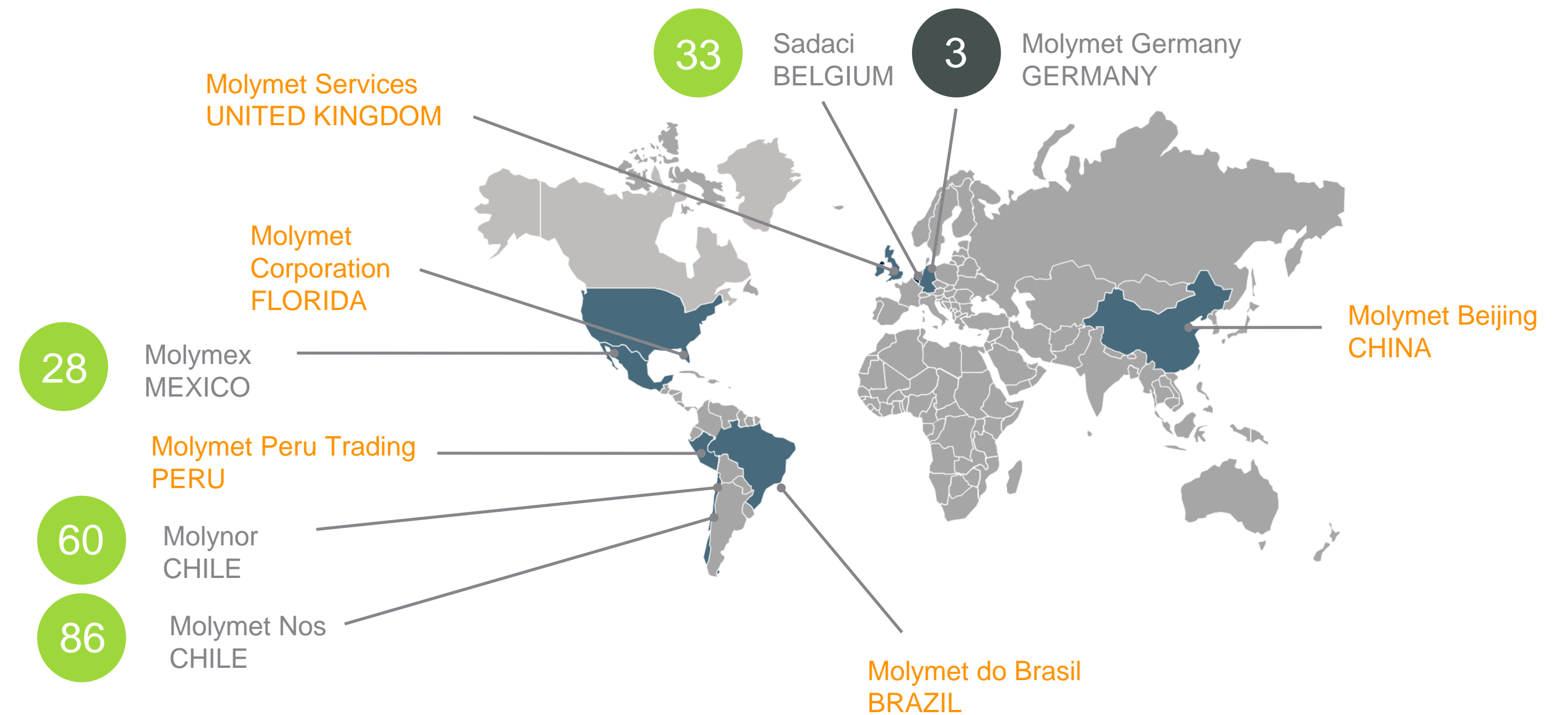
About Molymet





Largest molybdenum processor in the world (35% of the world's processing capacity).
Sustained increase in the world demand for molybdenum of 2.7%* is expected for the next few years, which may suffer variations according to the evolution of the world economy.

PRODUCTION PLANTS AND COMMERCIAL OFFICES
by September 30th, 2020



● Annual Metallic Molybdenum Processing Capacity in million pounds.

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

● Production Plants

● Commercial Offices

* Source: IMO.A.



Long term relationships with clients and suppliers

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

Efficiency and proper cost management control

Healthy debt levels

Own technology that allows us:

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



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

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

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

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

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

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



Own sales

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

Byproducts

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

Tolling

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

Efficiencies

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





Molybdenum Uses

MAIN BENEFITS OF MOLYBDENUM USE IN STEELS DEVELOPMENT :

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



MAIN USES FOR OUR PRODUCTS

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

Chapter 07

Consolidated Financial Statements





Balance sheet

Assets	09-30-2020 THUSD	12-31-2019 THUSD	VAR % Q3 2020 / 2019
Currents Assets			
Cash and cash equivalent	250,444	199,824	25.33%
Other financing assets, current	168	145	15.86%
Other non-financing assets, current	6,850	4,445	54.11%
Trade an Other receivables, current	89,547	139,757	-35.93%
Intercompany receivable, current	55	316	82.59%
Inventories, current	330,989	389,579	-15.04%
Biological assets, current	334	526	-36.50%
Tax assets, current	7,461	21,045	-64.55%
Total Current Assets	685,848	755,637	-9.24%
Non Current Assets			
Other financing assets, non-current	169	301	-43.85%
Other non-financing assets, non-current	29	24	20.83%
Trade an Other receivables, non-current	52	54	-3.70%
Inventories, non-current	88,553	85,329	3.78%
Other intangible assets	4,627	2,988	54.85%
Properties, Plant and Equipment	454,144	456,828	-0.59%
Right-of-use assets	3,702	2,936	26.09%
Deferred tax assets	19,539	15,086	29.52%
Total non-Current Assets	570,816	563,546	1.29%
Total Assets	1,256,664	1,319,183	-4.74%





Balance sheet

Equity and Liabilities	09-30-2020 THUSD	12-31-2019 THUSD	VAR % Q3 2020 / 2019
Current Liabilities			
Other financing liabilities, current	3,490	43,878	-92.05%
Current lease liabilities	1,486	1,346	10.40%
Accounts and other payables, current	124,734	134,022	-6.93%
Tax liabilities, current	7,026	11,445	-38.61%
Employee benefit provisions, current	17,137	19,265	-11.05%
Other non.financial liabilities	11,775	25,944	-54.61%
Total Current Liabilities	165,648	235,900	29.78%
Non-Curent Liabilities			
Non-Current Liabilities	238,496	235,178	1.41%
Non-Current lease liabilities	2,338	1,648	41.87%
Other provision, non-current	379	439	-13.67%
Deferred tax liabilities	90,170	92,093	-2.09%
Employee Benefit provisions, non.current	18,534	19,487	-4.89%
Total Non.Current Liabilities	349,918	348,845	0.31%
Total Liabilities	515,566	584,745	-11.83%
Equity			
Share capital	501,952	501,952	0.00%
Retained earnings	257,972	249,363	3.45%
Other reserves	(20,151)	(18,269)	10.30%
Total equity attributable to owners of the parent	739,774	733,046	0.92%
Total equity attributable to non-controlling interests	1,324	1,392	-4.89%
Total Equity	741,098	734,438	0.91%
Total Liabilities and Equity	1,256,664	1,319,183	-4.74%



Income Statement

Statement of Net Income by Function	09-30-2020 THUSD	09-30-2019 THUSD	VAR % Q3 2020 / Q3 2019
Revenue	758,001	906,637	-16.39%
Cost of sales	(668,665)	(775,179)	-13.74%
Gross Profit	99,336	131,458	-24.44%
Other gains, by function	1,383	543	↑
Distribution cost	(12,414)	(6,652)	86.62%
Adminitration expenses	(33,059)	(27,031)	22.30%
Other expenses, by function	(5,480)	(3,611)	51.76%
Other gains (loss)	44	11,662	-99.62%
Income from operating activities	49,810	106,369	-53.17%
Financial income	1,225	4,998	-75.49%
Financial expenses	(10,527)	(14,719)	-28.48%
Exchange rate differences	612	(1,079)	↑
Income (loss) before income taxes	41,120	76,926	-46.55%
Income tax expense	12,683	18,868	-32.78%
Income from continuing operations	28,437	58,058	-51.02%
Income	28,437	58,058	-51.02%
Income (loss) attributable to owners of the parent	28,050	57,429	-51.16%
Income (loss) attributable to non-controlling interest	387	629	-38.47%
Income	28,437	58,058	-51.02%

