Methanex: The Global Methanol Leader

Investor Presentation | February 2021

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Forward-looking statements & non-GAAP measures

Information contained in these materials or presented orally on the earnings conference call, either in prepared remarks or in response to questions, contains forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2019 Annual MD&A and our fourth quarter 2020 MD&A, as well as slide 34 of this presentation.

This presentation also contains certain non-GAAP financial measures that do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. For more information regarding these non-GAAP measures, please see our 2019 Annual MD&A and our fourth quarter 2020 MD&A.

All amounts are shown in US dollars except where otherwise stated.

Global industry leader well-positioned to capitalize on market recovery

1. Global methanol leader

- Global industry leader with leading market share, global production footprint and integrated global supply chain
- Enables us to be the supplier of choice to customers around the world

2. Positive long-term industry outlook

- Methanol is used as a chemical building block in a wide range of everyday consumer and industrial items
- Also used in an increasing number of energy-related applications and as a clean-burning, economic fuel
- Limited industry capacity additions expected post 2022 based on lower investment in current environment

3. Strong cash flow generation potential

- Assets well positioned on industry cost curve to be competitive through the methanol price cycle
- Significant cash flow potential driven by leverage to methanol prices

4. Disciplined capital allocation and prudent balance sheet management

- Balanced approach to capital investments and capital returned to shareholders
- Near-term focus on liquidity and financial flexibility

5. Growth potential

- Unique growth opportunity in Louisiana (Geismar 3) to increase production capacity at advantaged capital costs
- Robust decision-making process and various factors to consider before deciding whether to restart construction

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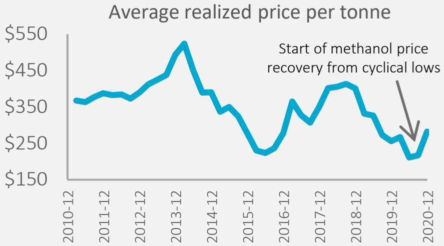
Near-term focus on financial flexibility to deliver value over long-term

ACTIONS IN 2020 TO STRENGTHEN BUSINESS

- Reduced capital and operating spending
- Increased financial flexibility
  - Strong liquidity position: over $800M in cash, $300M undrawn revolver and no debt maturities until end of 2024
- Reduced shareholder distributions (dividend and buybacks)

EARLY SIGNS OF RECOVERY WITH NEAR-TERM UNCERTAINTY

- Methanol price improvement supported by improving methanol demand and industry outages
- Near-term outlook difficult to predict as economic recovery path remains uncertain

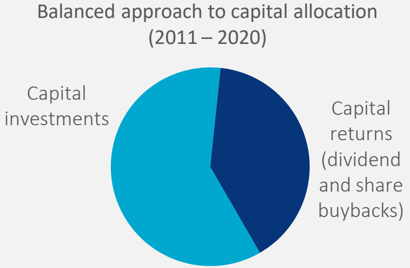


POSITIONED TO DELIVER VALUE OVER LONG-TERM

- Near-term focus on liquidity and financial flexibility to position ourselves to deliver significant shareholder value over the medium- to long-term
- Advantaged Geismar 3 project remains on temporary care and maintenance with construction on hold
- Expect to return to balanced approach to shareholder returns over the medium-to-long-term once balance sheet strength is restored

CAPITAL ALLOCATION STRATEGY UNCHANGED

1. Essential – debt service, maintenance capital
2. Profitable low-cost growth opportunities
3. Shareholder returns through dividends and share buybacks



1

Global, pure-play methanol leader

In an industry where scale and flexibility drive value…

Methanex is the world’s largest producer and supplier of methanol

Over 9 million tonnes of operating capacity

6 manufacturing sites with 11 plants strategically positioned to supply every major global market

Integrated global supply chain and distribution network

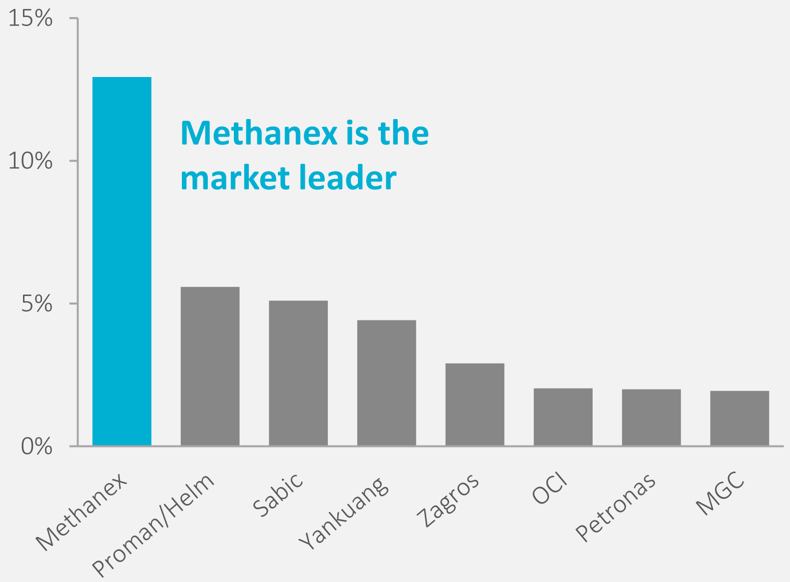
Waterfront Shipping subsidiary enables seamless transportation network

Local customer service in every major market to quickly adapt and respond to customers’ needs

Resilient business model and continued to deliver secure and reliable supply throughout COVID-19 pandemic

Industry leadership is core to our strategy and superior performance

Estimated industry market share



Scale and flexibility enables Methanex to be the supplier of choice to customers around the world

- Strong customers that are leaders in their industry
- Ability to optimize global sourcing plans while maintaining security of supply for customers
- New market development, product stewardship and advocacy

We continually enhance this key value driver by growing our production as the market grows

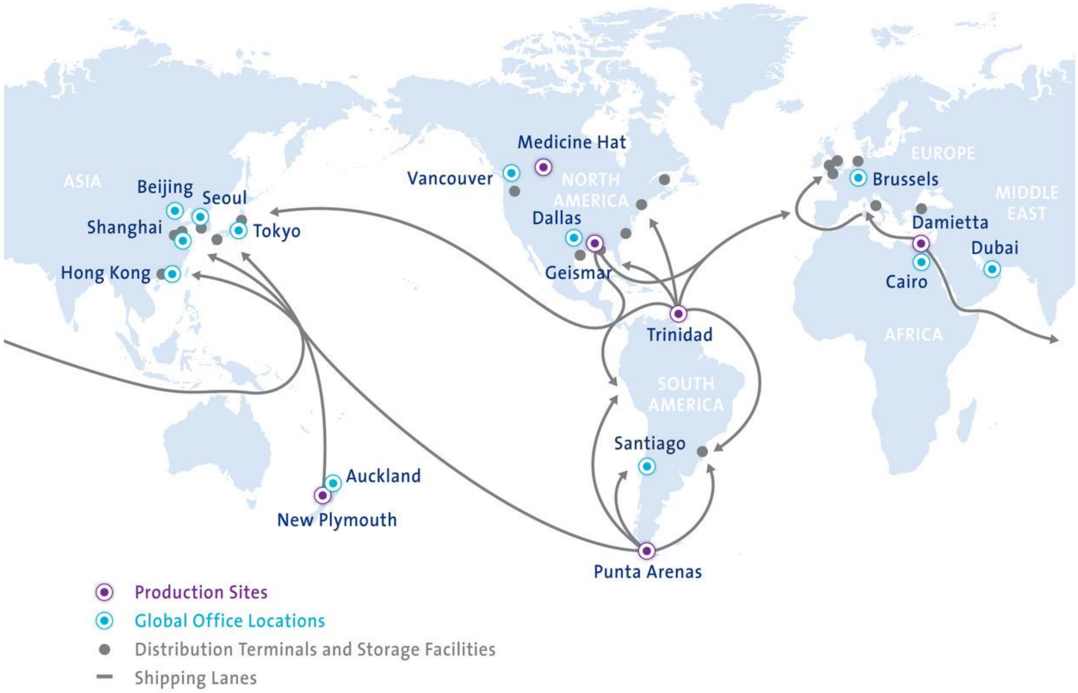
- ~13% global market share – double that of our next competitor
- Unique global position as the only supplier with well-established production and sales in all major regions

Source: Methanex

Clear competitive advantage from integrated global capabilities

Investing in industry-leading, secure, reliable supply from a global network of plants is a fundamental driver of long-term results

- Network of production sites to supply every major global market
- Fleet of dedicated ocean vessels
- Extensive integrated global supply chain and distribution network
- “Local” customer service

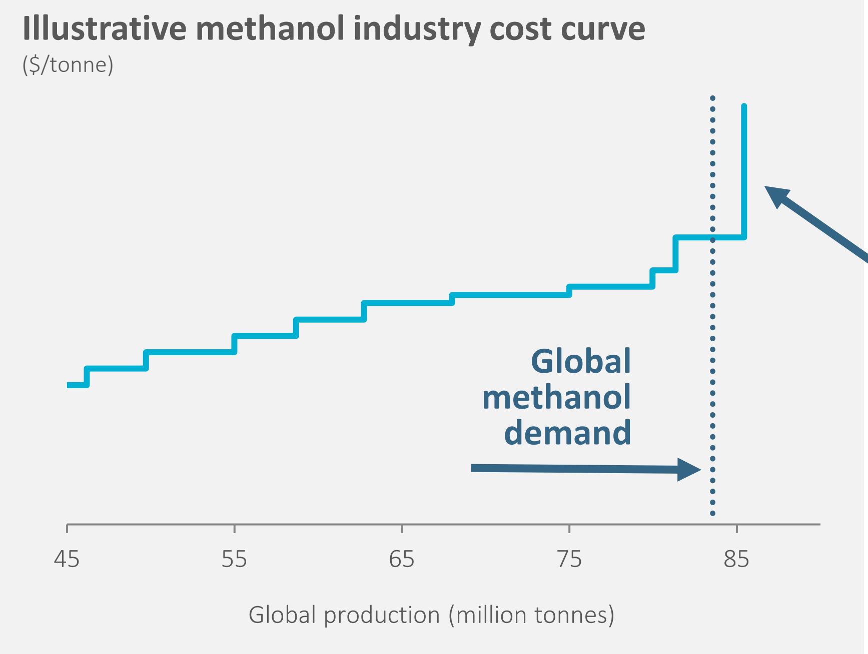


Methanol customers value secure and reliable supply

- Top 20 methanol industry consumers account for 30% of global industry demand
- Reflects a broad and diversified consumer base of global chemical companies and end users
- Methanex is uniquely positioned to serve customers who value:
  - Security of supply
  - Global presence
  - Quality product
  - Commitment to Responsible Care®
- Methanex has a diversified customer base (only three customers are larger than 500kMT of sales) and customer mix is largely consistent with global methanol demand segments

Responsible Care is a UN recognized sustainability initiative adopted by the global chemical industry

Methanex is well positioned on the global industry cost curve



- Methanex plants are competitive across a wide range of methanol prices – we estimate that our assets are positioned on the low-to-mid portion of the industry cost curve
- Industry has high cost operators and responds to periods of excess supply or demand
- Steep high end of cost curve reflects high cost coal and natural gas-based production in China
- Other higher cost regions are Russia, Europe, India
- Cost curve has historically shifted upward in higher energy price environments

Methanex annual production capacity

	Production summary (000s tonnes)					
Plant	2021 production estimate [1]	Annual operating capacity [2]	Future potential [3]	Current # of plants [4]	Gas supply	Supply chain
New Zealand	1,500 - 1,600	2,200	2,200	3	Multiple medium-to long-term physical contracts which include a base price and variable price component linked to methanol prices	Asia Pacific
Geismar	2,100	2,100	4,000	2	Physical contract, financial hedges and spot market	North America and other major markets around the globe
Trinidad (Mx share)	900	2,000	2,000	2	Physical contract which includes a base price and variable price component linked to methanol prices	Asia and other major markets around the globe
Chile	900 - 1,000	1,720	1,720	2	Multiple short-to-medium term contracts which include a base price and variable price component linked to methanol prices and fixed price contracts	South America and other major markets around the globe
Egypt (Mx share)	630	630	630	1	Long-term contract which includes a base price and variable price component linked to methanol prices	Egypt and Europe
Medicine Hat	600	600	600	1	Physical contract, physical hedges	Western Canada and US
Total	~6,700	9,250	11,150	11		

[1] 2021 production estimate reflects natural gas curtailments in New Zealand, Trinidad (Atlas facility) and Chile. Actual production may vary based on gas availability, planned outages, extended unplanned outages and unanticipated factors.

[2] Annual operating capacity reflects, among other things, average expected plant outages, turnarounds and average age of the facility's catalyst. Actual production for a facility in any given year may be higher or lower than operating capacity due to a number of factors, including natural gas composition or the age of the facility's catalyst.

[3] Future potential = annual operating capacity for 11 existing plants plus future capacity from Geismar 2 debottleneck project (0.1M tonnes) and Geismar 3 project (1.8M tonnes).

[4] Waitara Valley plant in New Zealand, Titan plant in Trinidad and Chile IV plant in Chile are currently idled due to natural gas availability.

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Positive long-term industry outlook

Methanol is an essential ingredient in modern life

TRADITIONAL CHEMICAL APPLICATIONS

Essential ingredient used in countless industrial and consumer products (over 50% of global methanol demand)

- Methanol is used to produce a variety of chemical derivatives that are the building blocks for a wide range of everyday consumer and industrial items
- Limited, if any, cost-effective substitutes for methanol-based chemical derivative products and demand for these applications is relatively price inelastic
- Linked to GDP and industrial production levels, particularly automotive and construction markets


Adhesives


Insulation


Lumber


Paint


Solvents


Synthetic fibers

ENERGY-RELATED APPLICATIONS

Represents a growing demand segment for methanol (close to 50% of global methanol demand)

- Used in an increasing number of energy-related applications and as a clean-burning and economic fuel
- Influenced by energy prices, price of end products and government regulations/policies that support clean-burning fuels


Methanol-to-olefins (MTO)


Methyl tertiary-butyl ether (MTBE)


Fuel applications

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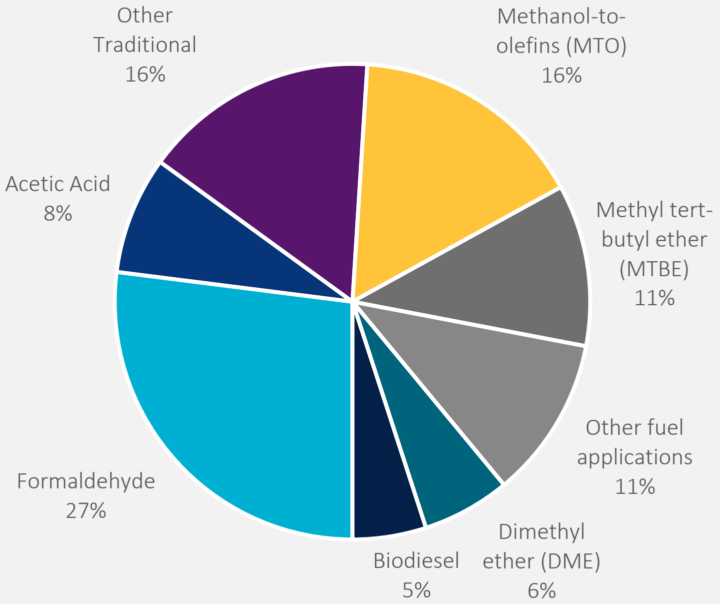
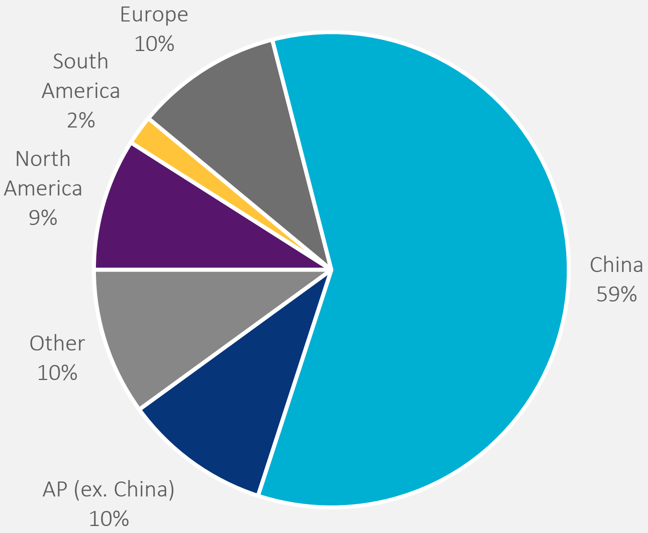
Global methanol industry demand

By application



By region



Source: IHS Chemical Supply and Demand Fall 2020 Update

Methanol can be used to produce olefins to make various everyday products

Methanol-to-olefin (MTO) plants produce a wide variety of downstream products

- Methanol
  - Ethylene
    - Polyethylene → Packaging
    - EDC → PVC → Construction
    - EO → MEG → PET → Textiles
    - Ethyl benzene → Styrene → Polystyrene → Containers
  - Propylene
    - Polypropylene → Consumer goods
    - ACN → Synthetic rubbers → Household & consumer goods
    - PO → Polyether polyols → Polyurethane → Insulation, bedding
    - Cumene → Phenol → Polycarbonates/ Phenolic resins → Computers

Packaging

Construction

Textiles

Containers

Consumer goods

Household & consumer goods

Insulation, bedding

Computers

Methanol is a clean-burning alternative fuel

Marine fuel that meets environmental regulations

- Shipping regulations (IMO 2020) require cleaner-burning fuels
- Methanol is a clean-burning fuel that meets regulations and is cost competitive over the cycle
- Approximately 60% of Waterfront Shipping's (Methanex's wholly owned subsidiary) fleet will be able to run on methanol, and other low-sulphur fuels which provides flexibility

Vehicle fuel that reduces emissions

- Methanol is an affordable gasoline substitute in China
- Reduces emissions when blended with or substituted for gasoline
- Several other countries are at the assessment or near-commercial stage for low-level methanol fuel blending

Lower emission fuel source

- Methanol is used as an alternative to coal for industrial boilers and kilns to reduce emissions
- Currently represents approximately 2M tons of demand

Represents significant upside potential for long-term demand

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Long-term industry supply/demand fundamentals remain strong

NEAR-TERM FUNDAMENTALS	LONG-TERM OUTLOOK REMAINS INTACT
• Global methanol demand began to recover in 2H 2020 • Global methanol supply operated at lower levels in 2020 • Market conditions remain tight, and we posted higher methanol prices for January and February 2021 • COVID-19 continues to limit our near-term visibility and it is difficult to predict near-term methanol prices	• Over the long-term, we believe that new industry capacity additions will be needed to meet demand growth • Methanol is a chemical building block and used in an increasing number of energy-related applications and as a clean-burning and economic fuel • Expect steady demand growth of ~3-4% CAGR over medium-term, post COVID-19 impact • Limited capacity additions expected post 2022 based on lower investment in current environment.

3

Strong cash flow generation potential with significant leverage to methanol prices

Illustrative long-term valuation considerations

($M)

Average Realized Price	Annual production [1]: 2021 production estimate (6.7 million tonnes) [2]		Annual operating capacity (9.3 million tonnes) [3]		Future potential (11.2 million tonnes) [4]	
	Adj. EBITDA capability [5]	Free cash flow yield [6]	Adj. EBITDA capability [5]	Free cash flow yield [6]	Adj. EBITDA capability [5]	Free cash flow yield [6]
$275	525	5%	750	11%	900	16%
$300	650	8%	925	16%	1,100	22%
$350	900	15%	1,275	25%	1,525	34%
$400	1,150	22%	1,625	36%	1,975	46%

Significant leverage to methanol prices - long-term average price ~$350/MT

- Flexible cost structure as the price for approximately 60% of our natural gas supply (our most significant operating cost) is linked to methanol pricing – therefore, our operating costs move down as methanol prices decline
- Cost structure per tonne continues to benefit from significant leverage on our fixed costs as production increases
- Significant cash flow potential driven by leverage to methanol prices
- Various factors, including rising/ declining prices, shipment timing and planned/unplanned outages and level of borrowings can impact short-term earnings and free cash flow

1 Methanex interest (63.1% Atlas, 50% Egypt)
2 2021 production estimate = reflects New Zealand (1.5–1.6MMT), Geismar (2.1MMT), Trinidad (0.9MMT), Chile (0.9–1.0MMT), Egypt (0.6MMT) and Medicine Hat (0.6MMT). Actual production may vary based on gas availability, planned outages, extended unplanned outages and unanticipated factors.
3 Annual operating capacity = full operating capacity for 11 existing plants.
4 Future potential = annual operating capacity for 11 existing plants plus future capacity from Geismar 2 debottleneck project (0.1 million tonnes) and Geismar 3 project (1.8 million tonnes).
5 Adjusted EBITDA reflects Methanex's proportionate ownership interest and assumes plants operate at full production rates except where indicated.
6 Free cash flow capability is after lease payments, cash interest (based on existing debt levels), debt service, maintenance capital (approx. $120 million), cash taxes and other cash payments Free cash flow yield based on 76.2 million shares outstanding as of 12/31/2020 and share price of US$35/share.

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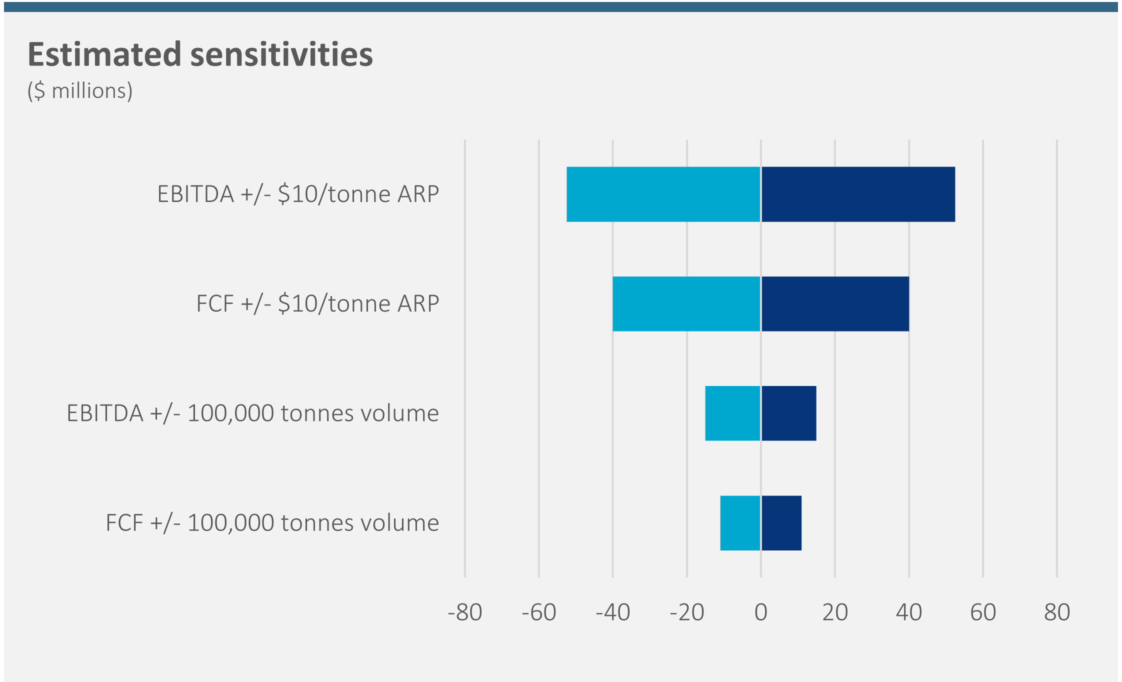
Illustrative long-term valuation considerations (continued)



Sensitivities versus run-rate of:

- Average realized price: $350/tonne
- Volume: 6.7M tonnes
- Adjusted EBITDA capability: $900M
- Free cash flow capability: $400M

Estimate $10/MT increase in methanol price results in ~$50M increase in Adjusted EBITDA

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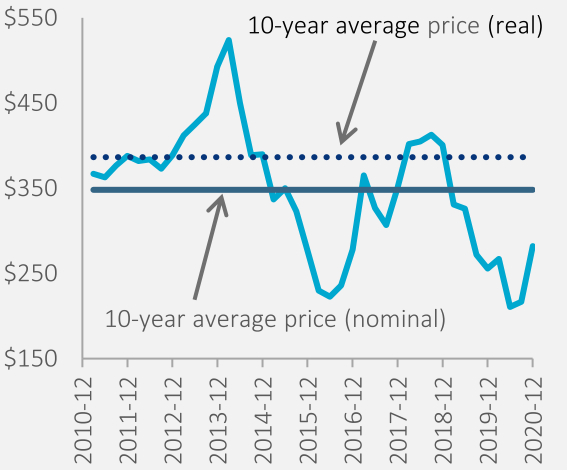
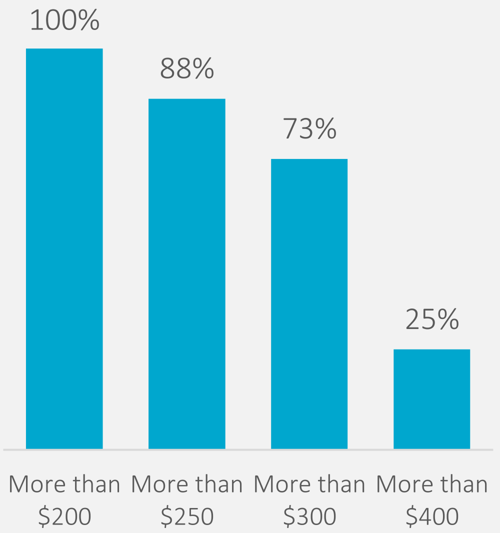
Methanex historical realized pricing

Average realized price per tonne



Historical price distribution [1]



10-year average realized price is ~$350/MT (nominal) and ~$385/MT (real)

- Q4 2020 - methanol prices (spot and contract) increased from Q3 2020 with improving global methanol demand and lower industry supply
- Methanex posts reference prices monthly in North America and Asia and quarterly in Europe
- Realized pricing is lower than posted reference pricing due to customer discounts and other factors

[1] Based on Methanex's quarterly average realized price per tonne (nominal) over the last 10 years

4

Disciplined capital allocation and prudent balance sheet management

Capital allocation priorities remain unchanged

1 ESSENTIAL

Debt service	Maintenance

- ~$160M million annual interest expense
- $20 million debt payments (MX share)
- Next maturity - $300 million, December 2024
- ~$110 million maintenance capex (2021)

2 PROFITABLE GROWTH

Low-cost growth opportunities

- Disciplined capital investment decisions based on strict project return criteria
- Advantaged Geismar 3 project in Louisiana
  - High quality project with substantial capital and operating cost advantages
  - Project remains on temporary care and maintenance with construction on hold

3 SHAREHOLDER RETURNS

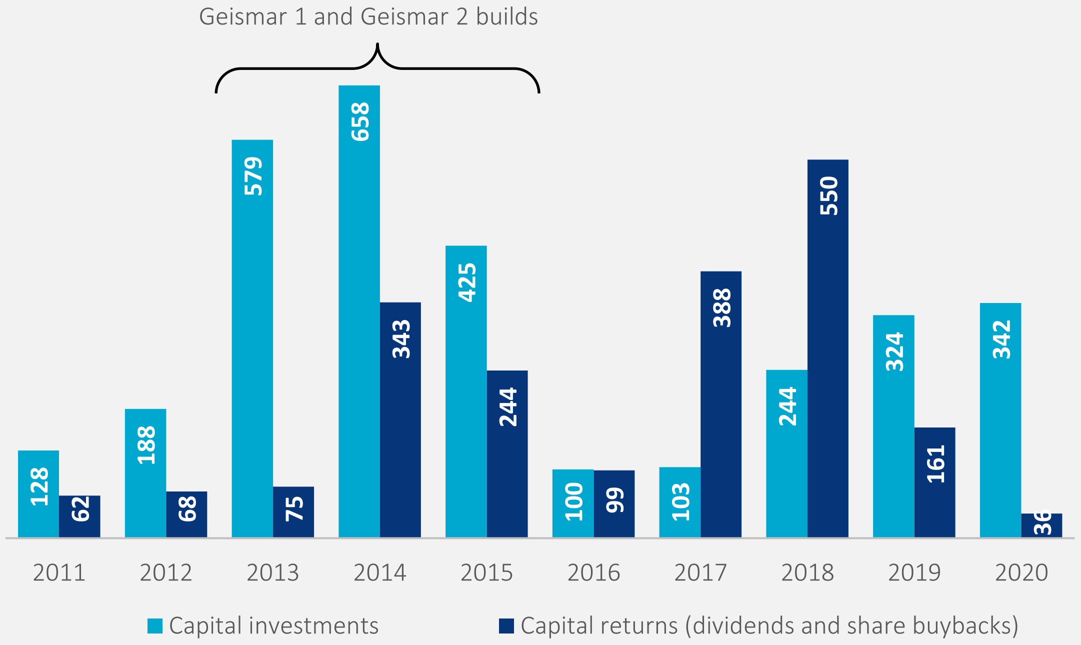
Dividends	Share buybacks

- Track record of significant capital returns to shareholders
- Emphasis on preserving liquidity in the near-term
- Expect to revert to balanced approach to shareholder returns over the medium-to-long-term once balance sheet strength is restored

Near-term focus on preserving liquidity as we restore balance sheet strength

Balanced approach to capital allocation

Capital investments and capital returned to shareholders
($ millions)



Over the last 10 years, we have:

- Invested approximately $3.1 billion in capital expenditures
- Returned approximately $2.0 billion of capital to shareholders through dividends and share buybacks

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Continue to focus on liquidity and financial flexibility

ACTIONS IN 2020 TO STRENGTHEN BUSINESS

- Reduce capital and operating spending
  - Deferred ~$500M in capital spending on Geismar 3 project
  - Reduced maintenance capital by ~$30M
  - Reduced operating costs by ~$40M
- Reduce shareholder distributions
  - Reduced dividend by ~$100M on an annual basis
  - Suspended share buybacks
- Increase financial flexibility
  - Issued $700M in new senior unsecured notes
  - Repaid existing $250M bond originally due March 2022
  - Negotiated meaningful covenant relief on credit facilities

STRONG LIQUIDITY POSITION

- Over $800M of cash on hand at the end of Q4 2020
- Undrawn $300M revolving credit facility
- No debt maturities until late 2024

CURRENT PRIORITIES

- Near-term focus on liquidity and financial flexibility
- Advantaged Geismar 3 project remains on temporary care and maintenance with construction on hold
- Expect to revert to balanced approach to shareholder returns over the medium-to-long-term once balance sheet strength is restored

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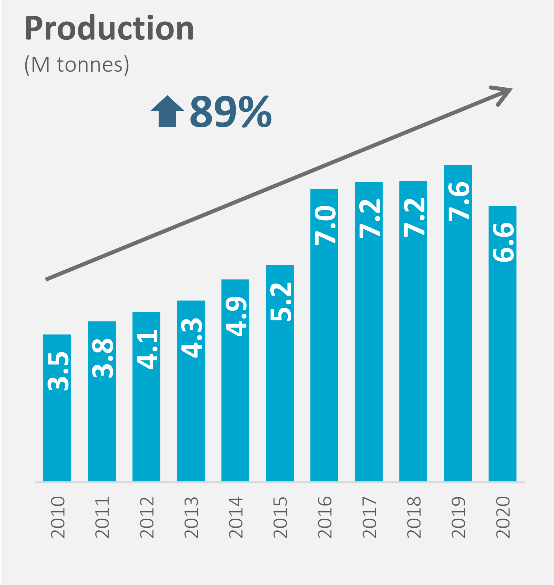
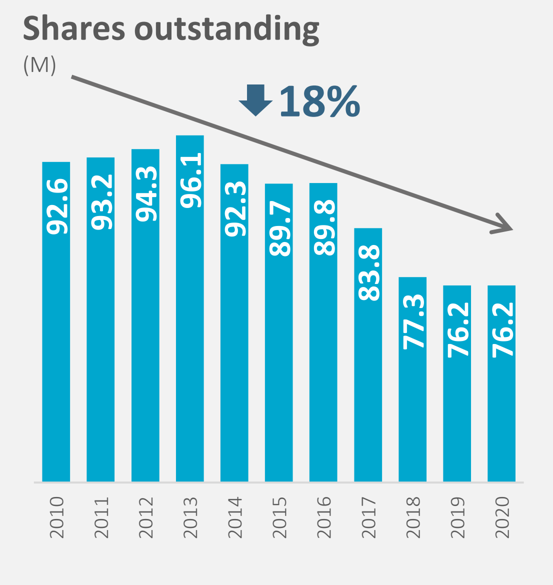
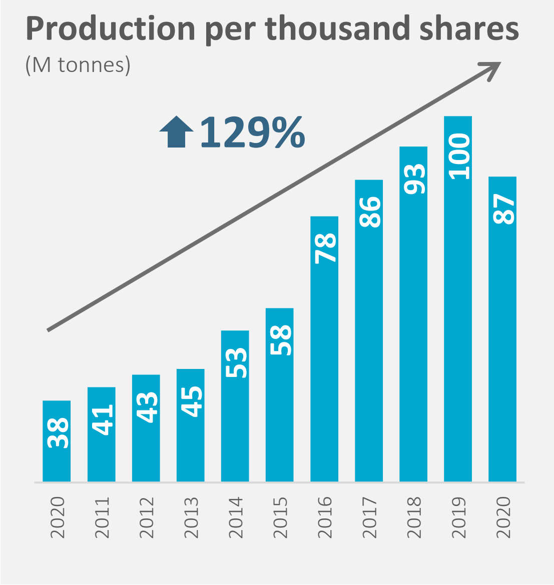
5

Growth potential

Track record of growing production with a clear focus on shareholders







Balanced approach to capital allocation over the last 10 years[1]:

- Invested approximately $3.1 billion in capital expenditures
- Returned approximately $2.0 billion of capital to shareholders through dividends and share buybacks

[1] From January 1, 2013 to December 31, 2020

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Geismar 3 project has significant capital and operating cost advantages

Project overview

- Size: 1.8 million tonnes per year
- Location: Geismar, Louisiana; adjacent to existing G1 and G2 facilities
- Status: remains on temporary care and maintenance with construction on hold
- Preference is to have a partner for the project

Three distinct advantages vs. US Gulf greenfield projects

- Achieves significant capital cost savings by using excess hydrogen from G1 and G2 to eliminate need for a primary reformer
- Brownfield site: shared piperack capacity, control rooms, storage tanks, etc.
- Well-situated industrial park: nearby oxygen supply, utilities, marine terminal

July 2020: Geismar 3 site

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Geismar 3 project is significantly de-risked

Rigorous well-defined execution plan

- Well-defined scope and budget
- Early work to establish firm pricing for key equipment, materials and services
- Engineering and procurement of critical equipment through care and maintenance period significantly reduces execution risk
- Healthy contingency for residual risk
- Progress has been safe, on time and on budget

Various factors to consider for project restart

Robust decision-making process for evaluating the project and before deciding whether to restart construction, management and our Board will need to carefully consider many factors:

- Global methanol recovery and methanol demand outlook
- Methanol industry's need for new capacity
- Methanol pricing forecast
- Ability to fund the project
- Suppliers' ability to complete construction and deliver material and equipment on time and on budget in light of any COVID-19 restrictions

July 2020: Geismar 3 site

Methanex is committed to Responsible Care®

- The Responsible Care® Ethic and Principles for Sustainability is a United Nations recognized sustainability initiative adopted by the global chemical industry
- At Methanex, Responsible Care® is the foundation of everything we do and a key element of our global culture:

Community safety

Employee health and safety

Environmental protection

Product stewardship

Social responsibility

https://www.methanex.com/responsible-care/responsible-care-sustainability-reports

Best-in-class corporate governance

BOARD COMPOSITION

- 11 of 12 Independent directors (92%)
- Separate chair and CEO
- All Committee members are independent
- Diversity policy and 42% of directors are female
- Active Board renewal process, average tenure is five years and average age is 61 years old
- Diverse skills matrix

DIRECTOR COMPENSATION

- Required director equity ownership of 3x total annual retainer
- Prohibition on hedging
- Not eligible for stock options

CORPORATE GOVERNANCE

- Strong risk and strategy oversight
- Annual Board, Committee and director evaluations
- Board orientation and education
- Code of business conduct
- In camera sessions at every Board and Committee meeting

SHAREHOLDER RIGHTS

- Annual election of directors
- Individual director elections
- Director majority voting policy
- Annual “Say-on-Pay”

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Management alignment

- Executive shareholding requirements:
  - CEO – 5 times salary in Methanex shares or share units
  - Senior executives (5 members) – 3x salary
  - Other senior management (~60 employees) – 1x salary guideline
- Short-term incentive linked to ROCE (return on capital employed)
- Long-term incentive targets:
  - Stock options and share appreciation rights
  - Performance share units
    - Payout linked to relative total shareholder return and 3-year average ROCE
  - “…Management does well when shareholders do well!”

Summary

- Global industry leader with competitive assets
- Integrated global capabilities with network of production sites and global supply chain
- Unique scale and flexibility to deliver secure and reliable supply to customers
- Positive long-term industry outlook
- Significant cash flow potential driven by leverage to methanol prices
- Strong liquidity and financial flexibility
- Balanced approach to capital allocation with a track record of returning excess cash to shareholders through dividends and share buybacks
- Low capital cost growth potential in Louisiana

Continue to deliver secure and reliable supply to our customers around the world. Well-positioned to capitalize on market recovery.

Forward-looking information

This presentation, our Fourth Quarter 2020 Management's Discussion and Analysis ("MD&"A) as well as comments made during the Fourth Quarter 2020 Investor Conference call contain forward-looking statements with respect to us and our industry. These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Statements that include the words "believes," "expects," "may," "will," "should," "potential," "estimates," "anticipates," "aim," "goal", "targets" or other comparable terminology and similar statements of a future or forward-looking nature identify forward-looking statements.

More particularly and without limitation, any statements regarding the following are forward-looking statements: expected demand for methanol and its derivatives; expected new methanol supply or restart of idled capacity and timing for start-up of the same; expected shutdowns (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing and length of planned maintenance outages; expected methanol and energy prices; expected levels of methanol purchases from traders or other third parties; expected levels, timing and availability of economically priced natural gas supply to each of our plants; capital committed by third parties towards future natural gas exploration and development in the vicinity of our plants; our expected capital expenditures; anticipated operating rates of our plants; expected operating costs, including natural gas feedstock costs and logistics costs; expected tax rates or resolutions to tax disputes; expected cash flows, earnings capability and share price; availability of committed credit facilities and other financing; our ability to meet covenants or obtain or continue to obtain waivers associated with our long-term debt obligations, including, without limitation, the Egypt limited recourse debt facilities that have conditions associated with the payment of cash or other distributions and the finalization of certain land title registrations and related mortgages which require actions by Egyptian governmental entities; expected impact on our results of operations in Egypt or our financial condition as a consequence of actions taken or inaction by Egyptian governmental entities; our shareholder distribution strategy and anticipated distributions to shareholders; commercial viability and timing of, or our ability to execute future projects, plant restarts, capacity expansions, plant relocations or other business initiatives or opportunities, including our Geismar 3 Project; our financial strength and ability to meet future financial commitments; expected global or regional economic activity (including industrial production levels); expected outcomes of litigation or other disputes, claims and assessments; expected actions of governments, governmental agencies, gas suppliers, courts, tribunals or other third parties; and the potential future impact of the COVID-19 pandemic.

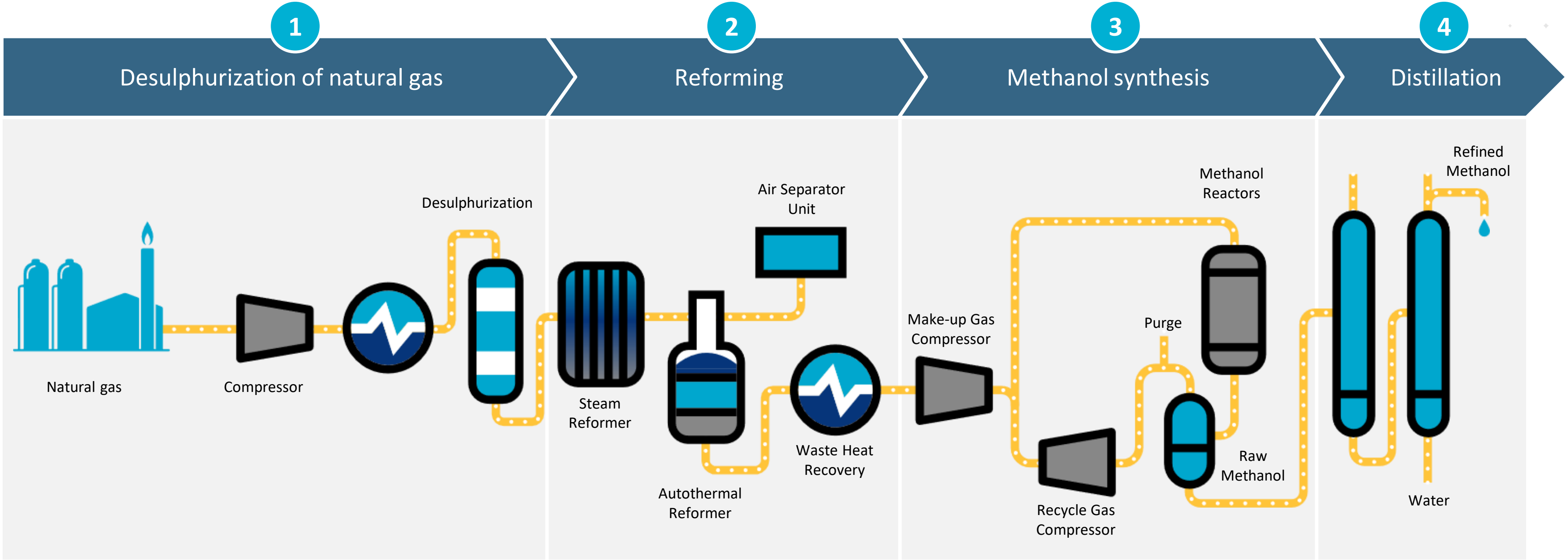
We believe that we have a reasonable basis for making such forward-looking statements. The forward-looking statements in this document are based on our experience, our perception of trends, current conditions and expected future developments as well as other factors. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements, including, without limitation, future expectations and assumptions concerning the following: the supply of, demand for and price of methanol, methanol derivatives, natural gas, coal, oil and oil derivatives; our ability to procure natural gas feedstock on commercially acceptable terms; operating rates of our facilities; receipt or issuance of third-party consents or approvals, including, without limitation, governmental registrations of land title and related mortgages in Egypt and governmental approvals related to rights to purchase natural gas; the establishment of new fuel standards; operating costs, including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates; the availability of committed credit facilities and other financing; timing of completion and cost of our Geismar 3 Project; global and regional economic activity (including industrial production levels); absence of a material negative impact from major natural disasters; absence of a material negative impact from changes in laws or regulations; absence of a material negative impact from political instability in the countries in which we operate; and enforcement of contractual arrangements and ability to perform contractual obligations by customers, natural gas and other suppliers and other third parties.

However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The risks and uncertainties primarily include those attendant with producing and marketing methanol and successfully carrying out major capital expenditure projects in various jurisdictions, including, without limitation: conditions in the methanol and other industries including fluctuations in the supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses; the price of natural gas, coal, oil and oil derivatives; our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities; the ability to carry out corporate initiatives and strategies; actions of competitors, suppliers and financial institutions; conditions within the natural gas delivery systems that may prevent delivery of our natural gas supply requirements; our ability to meet timeline and budget targets for our Geismar 3 Project, including cost pressures arising from labour costs; competing demand for natural gas, especially with respect to domestic needs for gas and electricity in Chile and Egypt; actions of governments and governmental authorities, including, without limitation, implementation of policies or other measures that could impact the supply of or demand for methanol or its derivatives; changes in laws or regulations; import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties and other actions by governments that may adversely affect our operations or existing contractual arrangements; world-wide economic conditions; the future impact of the COVID-19 pandemic; and other risks described in our 2019 Annual Management's Discussion and Analysis and our Fourth Quarter 2020 Management's Discussion and Analysis.

Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes implied by forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.

Appendix

Methanol production process



Global methanol industry demand – by application

	Applications	% of global demand[1]	End uses
Traditional chemical applications *(Over 50% of global methanol demand)*	Formaldehyde	~27%	• Used as wood adhesive for plywood, particleboard and other engineered wood products • Also used as raw material for a variety of building and automotive products
	Acetic acid	~8%	• Used to produce a wide variety of products including adhesives, paper, paint, plastics, resins, solvents, pharmaceuticals and textiles
	Other traditional	~16%	• Used to produce a wide range of products including adhesives, coatings, plastics, film, textiles, paints, solvents, paint removers, polyester resins/fibers, silicone products
Energy-related applications *(Close to 50% of global methanol demand)*	Methanol-to-olefins (MTO)	~16%	• Used as an alternative feedstock to produce light olefins (ethylene and propylene) to produce various everyday products used in packaging, textiles, plastic parts/containers and auto components
	Methyl tert-butyl ether (MTBE)	~11%	• Used as an oxygenate blending into gasoline to contribute octane and reduce the amount of harmful exhaust emissions from motor vehicles
	Fuel applications	~11%	• Used as an alternative clean-burning fuel for transportation, industrial boilers and kilns, and in a smaller quantity, for cooking stoves
	Dimethyl ether (DME)	~6%	• A clean-burning fuel that is used as a substitute for liquified petroleum gas (LPG) for household cooking and heating. Can be used as a clean-burning substitute for diesel fuel in transportation
	Biodiesel	~5%	• A renewable fuel made from plant oils or animal fats that uses methanol in the production process

Source: IHS Chemical Supply and Demand Fall 2020 Update

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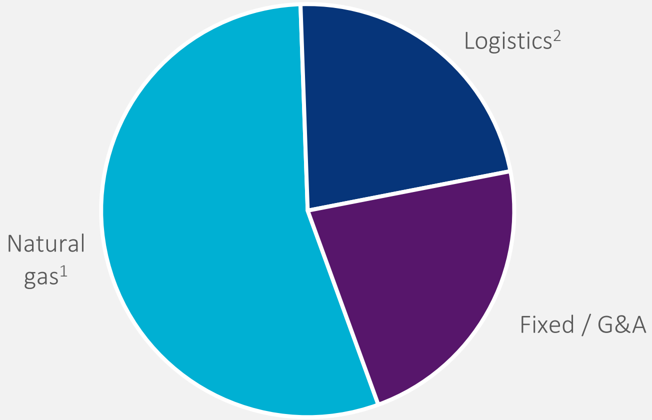
Methanex cost structure

Representative operating cost distribution



Natural gas

- Flexible price structure as approximately 60% of our natural gas supply contracts are linked to methanol prices:
  - North America: ~75% of current natural gas requirements under long-term fixed price contract or hedges
  - Rest of world: natural gas price varies based on methanol prices which enables assets to be competitive across price cycle

Logistics

- Fleet of ~30 leased and owned vessels supplemented with short-term COA vessels and spot vessel shipments
- Integrated supply chain allows benefit of back-haul shipments
- Network of owned and leased terminals worldwide
- Various in-region logistics capabilities including tanker, barge, rail, truck and pipeline

Fixed manufacturing and G&A costs

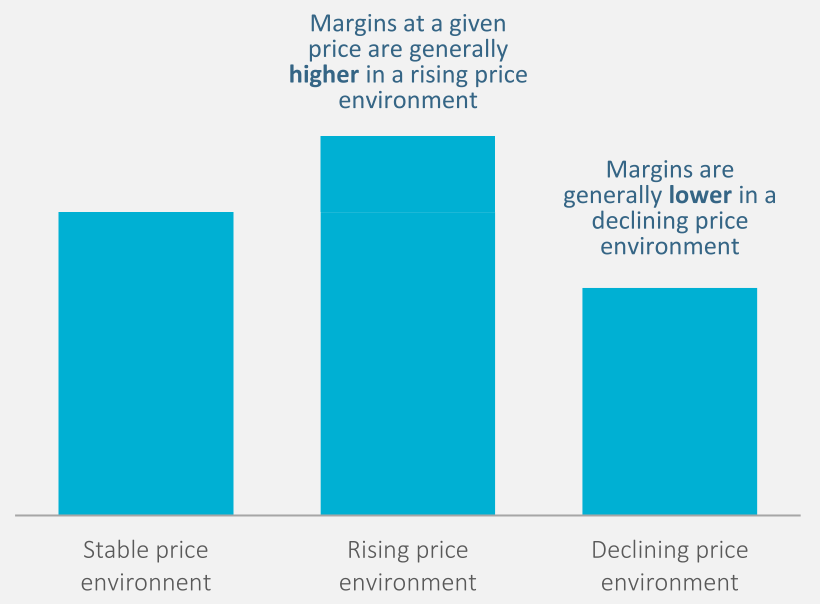
- Primarily people costs

[1] Natural gas prices vary with methanol pricing
[2] Logistics costs vary based on oil/bunker fuel prices

Various short-term factors can affect margins

Illustrative impact on margins

($/tonne)



These factors are less meaningful in the long-term

- Difference between posted and realized prices can vary:
  - Rising prices can reduce/narrow our discount rate
  - Declining prices can increase/widen our discount rate
- FIFO inventory accounting can impact margins:
  - Margins can decrease in a rising price environment
  - Margins can increase in a falling price environment
- Planned/unplanned outages can temporarily increase logistics costs as we move product globally to serve our customers

Thank you

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