



# The Global Methanol Leader

CORPORATE PRESENTATION  
AUGUST 2023

methanex  
the power of agility



# Forward-looking statements and non-GAAP measures

Information contained in these materials or presented orally, either in prepared remarks or in response to questions, may contain forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2022 Annual Management Discussion and Analysis (MD&A) and slide 27 of this presentation.

This presentation uses the terms EBITDA, Adjusted EBITDA, Adjusted Income or Adjusted earnings per share, Average Realized Price (ARP) and illustrative Free Cash Flow. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP and therefore unlikely to be comparable to similar measures presented by other companies. These measures represent the amounts that are attributable to Methanex Corporation and are calculated by excluding the impact of certain items associated with specific identified events. Refer to slide 27 of this presentation as well as *Additional Information - Non-GAAP Measures* in the Company's 2022 Annual MD&A for reconciliation in certain instances to the most comparable GAAP measures.

All currency amounts are stated in United States dollars.



# Methanex is the world's largest producer and supplier of methanol to major international markets

## Strategy

We create value through our leadership in the global production, marketing and delivery of methanol to customers.

## Competitive advantage

Safe, sustainable, and secure supply. Underpinned by our global integrated supply chain with dedicated shipping fleet and global production network.

## Safety is the top priority

We are committed to the highest standard of safety and sustainability.

**9**  
Operating Plants

**6**  
Production Sites

**1,400+**  
Employees

**~12%**  
Market Share

TSX  
**MX**

NASDAQ  
**MEOH**

Adjusted EBITDA



Production



Average Realized Price (ARP)



# Why Invest?



## Leader in an industry with a positive long-term outlook

Leading market share in an industry with a supportive cost curve that needs new supply to meet growing demand, safety focused, growing global production footprint, flexible cost structure, integrated global supply chain, and top tier customers.

## Growing cash flow capability

Advantaged Geismar 3 (G3) project starting up in Q4 2023 which will significantly enhance cash flow capability.

## Sustainable competitive advantage from integrated global capabilities

Integrated global supply chain supported by global production network, regional sales offices and 30 vessels managed by our majority owned Waterfront Shipping subsidiary.

Our competitive advantage of safe, sustainable and reliable supply is the foundation of our long-term relationships with top tier global customers.

## Well-positioned in the transition to a low-carbon economy

Advantaged global position with dedicated teams focused on innovative opportunities for existing assets and new projects to support the transition to the low-carbon economy.

Our G3 plant starting up in Q4 2023 will be one of the lowest CO2 emissions intensity plants in the world at <0.4 tonnes of CO2/tonne of methanol.

## Disciplined capital allocation strategy

Disciplined balance sheet strategy which balances profitable growth and shareholder distributions over a range of methanol prices.

From 2012 to 2022 we have returned ~\$2.3B to shareholders and invested ~\$3.8B into the business.



# Strategic Priorities for the Business

*Focused on delivering value-generating initiatives in a safe and reliable way*



## Safety + reliability

Continuous improvement of safety performance and production reliability.



## Completing the G3 project safely, on time and on budget

Progress the G3 project safely, on budget, and on time with start-up in Q4 2023.



## Executing our feedstock strategy

Achieve economic gas contracts to enable increased production from assets in Chile, New Zealand and Trinidad.



## Advancing sustainability initiatives

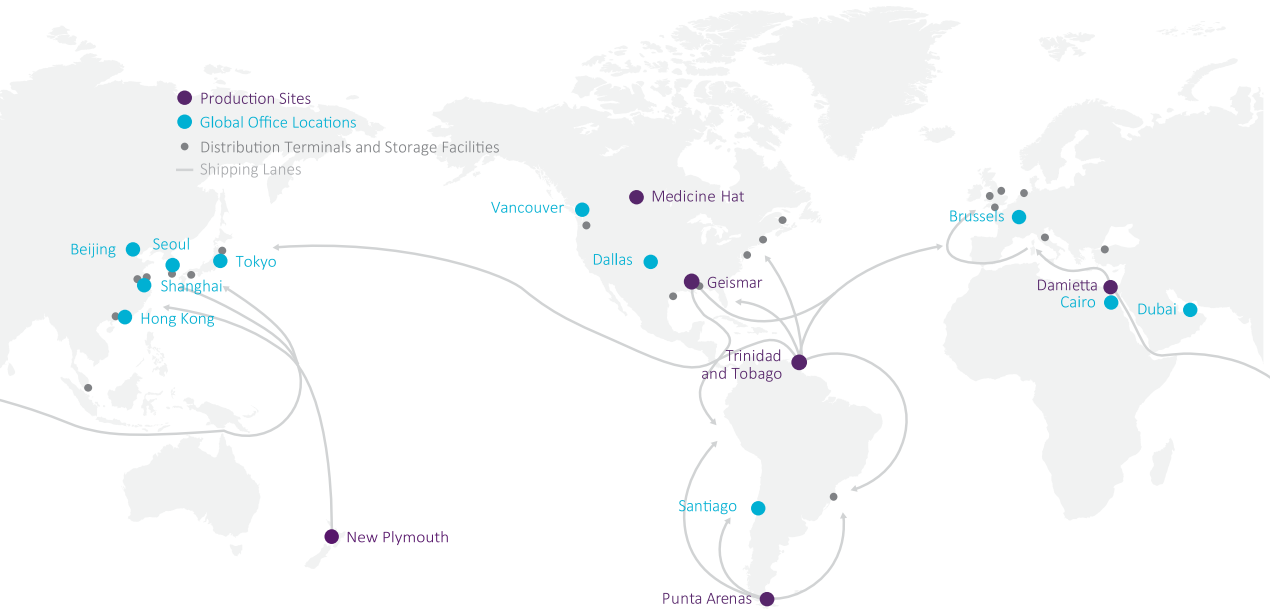
Invest resources to evaluate the feasibility of technologies to produce low and zero carbon methanol to capitalize on increasing customer demand.



## Capital allocation

Balanced approach of maintaining the business (maintenance capital and debt repayment), profitability growing and returning excess cash to shareholders through a sustainable dividend and flexible share buybacks.

# 9.3 mmt annual operating capacity across 11 plants and 6 production sites



Operating capacity (mmt) <sup>1</sup>	Number of plants <sup>2</sup>	Gas supply
<b>Medicine Hat, Canada</b>		
0.64	1	Fixed price contract
<b>Geismar, USA</b>		
2.20	2	Financial hedges, fixed price contracts, and spot market
<b>Damietta, Egypt</b>		
0.63	1	Methanol price linked contract
<b>Trinidad and Tobago</b>		
1.96	2	Methanol price linked contract
<b>New Plymouth, New Zealand</b>		
2.20	3	Methanol price linked contract
<b>Punta Arenas, Chile</b>		
1.70	2	Methanol price linked contract
<b>Total</b>	<b>9.3</b>	<b>11</b>

**Currently building a third 1.8M tonne plant in Geismar which is expected to start up in Q4 2023 which will increase the site operating capacity to 4M tonnes**

<sup>1</sup> 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 several factors, including natural gas composition or the age of the facility's catalyst. Methanex's share shown for Trinidad (Atlas 63%) and Egypt (50%).

<sup>2</sup> Waitara Valley plant in New Zealand and Titan plant in Trinidad are currently idled due to natural gas availability.



# Industry leadership is core to our strategy and strong performance

*A leading global pure-play methanol producer*

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

Ability to optimize global sourcing plans while delivering product safely and reliably

Support the expansion of the methanol market by advocacy, new market development and product stewardship

Unique global position as the only supplier with well-established production and sales in all major regions

**~12%**

**Methanex**



Valenz (Proman)



Sabir



Yankuang



Zagros



OCI



Petronas



MGC

**Methanex is the market leader**

Estimated industry market share 2022





## Sustainable 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 success*

Responsible Care®

Network of production sites to supply every major global market

Fleet of 30 dedicated ocean vessels with 19 dual-fuel vessels that can run on methanol

Extensive integrated global supply chain and distribution network

In-region customer service to quickly respond to customer needs

Sharing of best practices and expertise with other industry members

Industry leading customers

### Industry leading customers





## Geismar 3: Industry-leading plant with strong cash flow generation capability



### Project highlights

#### 1.8 mmt methanol plant

located adjacent existing G1 and G2 in Geismar, Louisiana

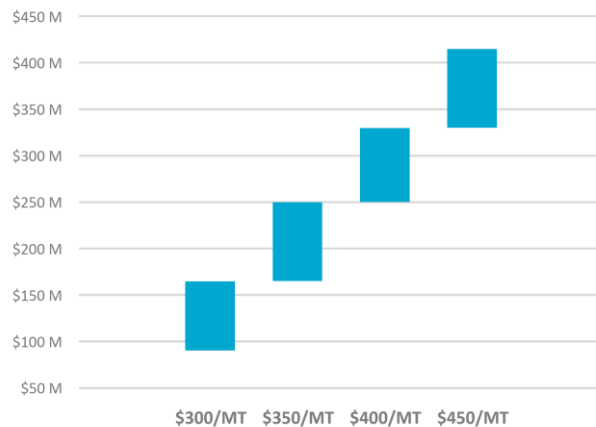
Will be one of the lowest CO<sub>2</sub> emissions intensity plants at <0.4 tonnes of CO<sub>2</sub>/tonne of methanol which is **~5 times lower than a coal-based methanol plant**

#### Capital spend \$1.25-1.30

**billion.** Approximately \$240 to \$290 million of remaining cash capital expenditures fully funded with cash on hand at the end of Q2 2023

### G3 potential EBITDA

At various Methanol and gas prices

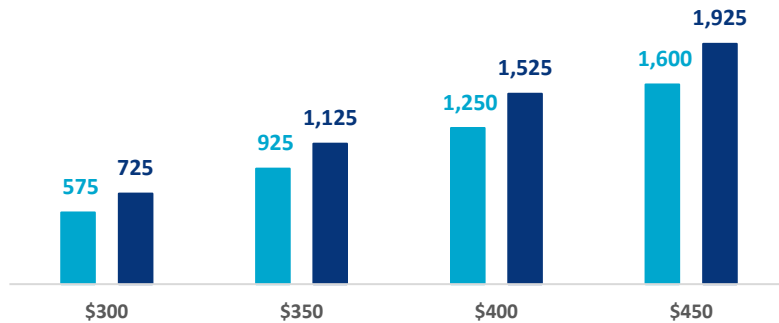


Range based on Henry Hub gas prices between \$3-5/mmbtu. 2023 dollars. Methanol prices are average realized prices.

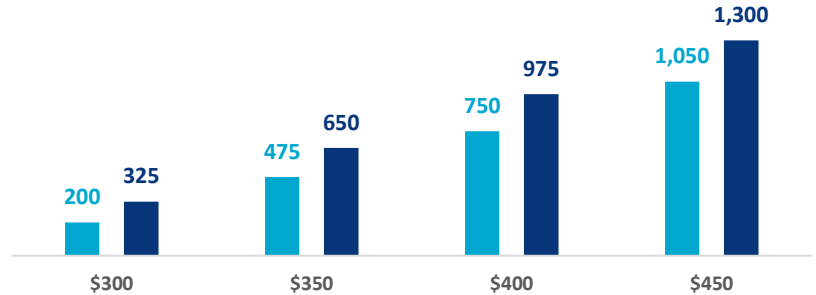
# Growing cash flow capability with G3 and further upside with improved gas availability

*Strong free cash flow conversion across a range of methanol prices*

**Adjusted EBITDA<sup>1</sup> capability (\$M) at various average realized methanol prices (\$/MT)**



**Free cash flow<sup>2</sup> capability (\$M) at various average realized methanol prices (\$/MT)**



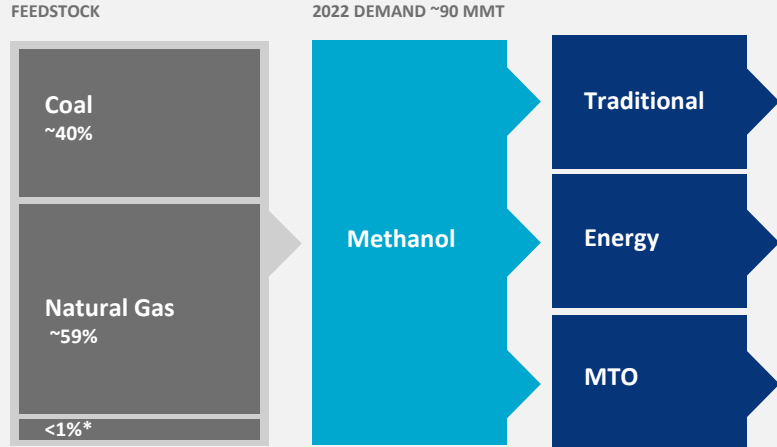
## Scenario 1 - 8.3 mmt

Includes G3 production of 1.8 mmt and 6.5 mmt of production based on 2023 guidance.

## Scenario 2 - 9.7 mmt

Includes G3 production of 1.8 mmt and all assets running at full rates. Both scenarios exclude currently idled assets (Titan and Waitara Valley).

# Methanol is difficult to substitute based on its unique chemistry, scale, ease of transport and cost



## \*Green Feedstocks

Including: renewable natural gas, biomass, renewable electricity.



## Traditional chemical applications expected to grow with GDP

Essential building block used in formaldehyde and acetic acid to make raw materials for building and automotive parts, paints, paper, plastics, pharmaceuticals and silicone products.

Over **50%** of global methanol demand



## Energy-related applications have significant demand upside

Used in Methyl tert-butyl ether (MTBE) for blending in gasoline, in Dimethyl ether (DME) to replace liquified petroleum gas (LPG), and in the production of biodiesel.

A cleaner burning fuel for kilns, cooking stoves, boilers, and cars and heavy trucks in China.

Emerging demand from methanol as a marine fuel.

Over **30%** of global methanol demand



## Methanol-to-Olefins (MTO) demand is expected to be stable

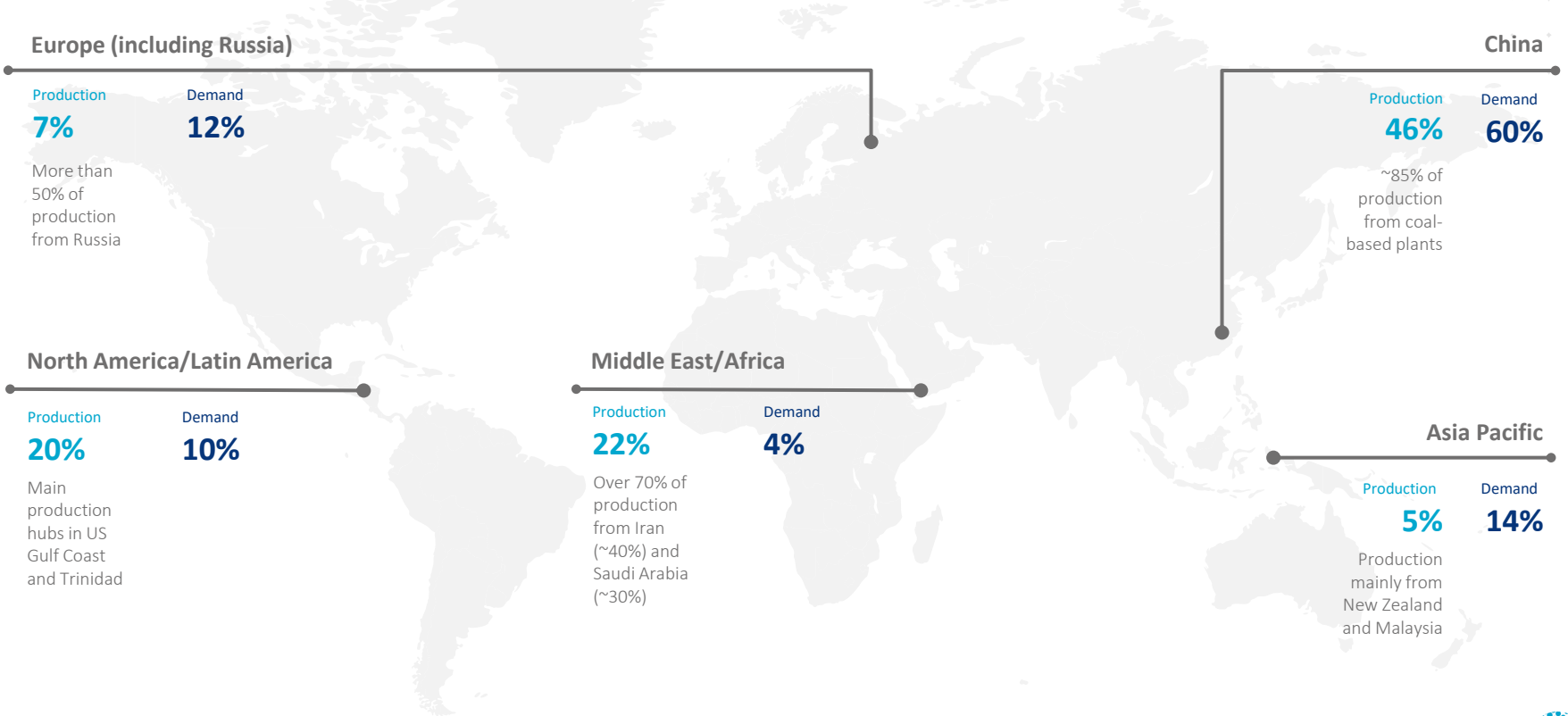
Comprised of ~13 plants in China with capacity to consume ~20 mmt of methanol. Economics for each plant varies depending on downstream integration.

Operating rates have been resilient through methanol and olefin price cycles.

Over **15%** of global methanol demand

# Global methanol demand and supply dynamics

2022 global methanol demand of ~90 mmt; demand expected to grow at ~3.5% CAGR or +17 mmt over next five years



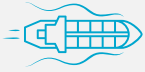
Source: OPIS (Chemical Market Analytics) World Analysis based on 2022 production and demand figures.

Methanex | The Global Methanol Leader | Investor Presentation



# Growing interest in methanol as a marine fuel

Cleaner burning, proven technology, easily transportable with existing infrastructure, and cost competitive



Methanol is a cleaner-burning fuel and can reduce SOx and particulate matter emissions **by more than 95%**, and NOx **by up to 80%** compared to conventional marine fuels.<sup>1</sup>

Methanol provides a pathway to reducing CO<sub>2</sub> emissions as renewable methanol supply develops.

Compared to conventional marine fuels renewable methanol **reduces CO<sub>2</sub> emissions** by **~95%** on a life cycle basis.

Multiple fuels needed to support the marine industries decarbonization goals. Adoption of methanol is gaining momentum as it is a **proven technology, available in all major ports, and is safe and easy to store and handle.**

**>80%**

Reduction in air emissions from combustion

**Up to 95%**

Reduction in CO<sub>2</sub> when using renewable methanol

**400 mmt+**

Total marine fuel demand in methanol equivalent. Other fuels will be required to meet this demand.

<sup>1</sup> Sulphur oxides (SOx), Nitrogen oxides (NOx)



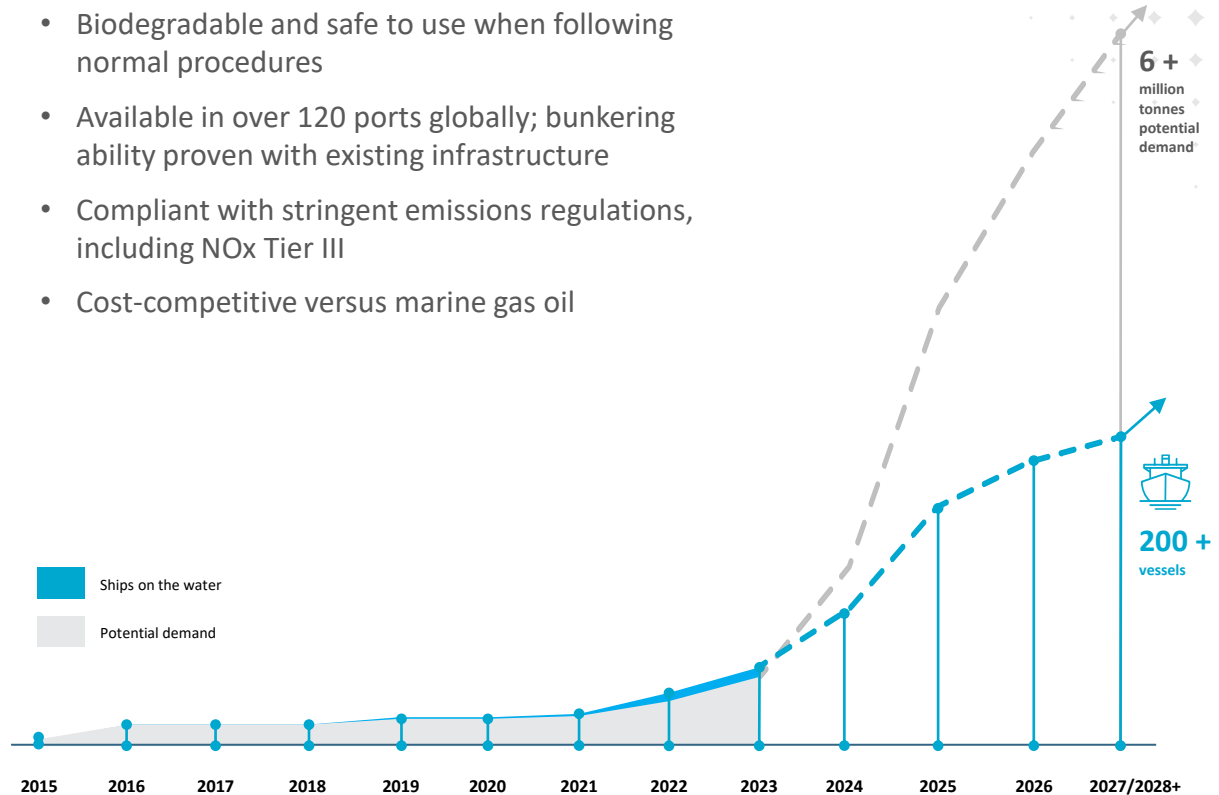
# Potential demand growing every month with new ship orders and retrofits

*Helping the shipping industry meet IMO targets of reducing carbon intensity by 20% by 2030 and 70% by 2040*



## Benefits of Methanol as Marine Fuel

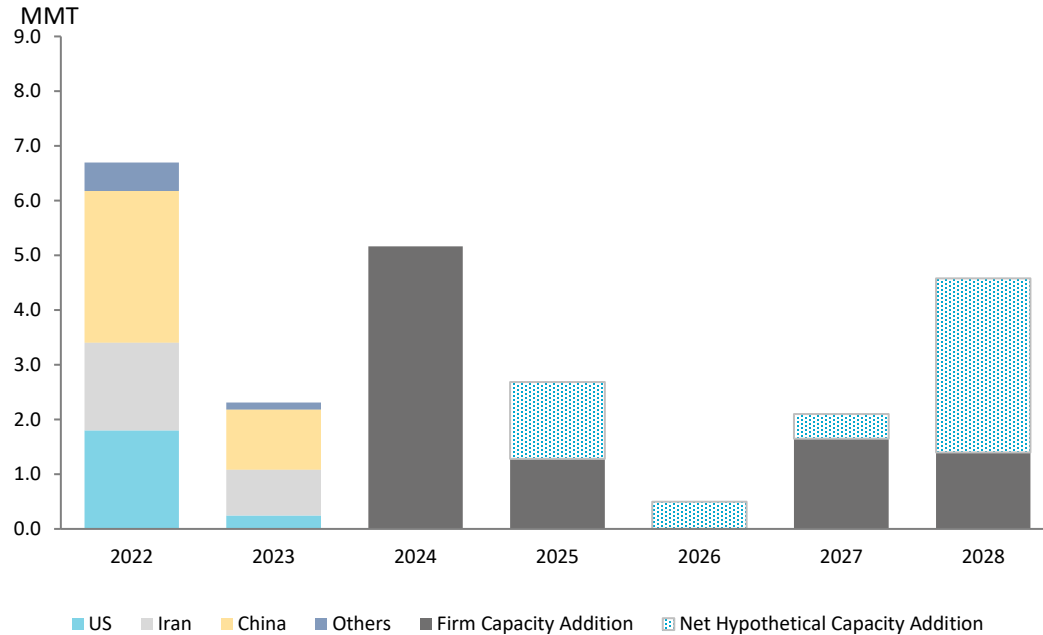
- Biodegradable and safe to use when following normal procedures
- Available in over 120 ports globally; bunkering ability proven with existing infrastructure
- Compliant with stringent emissions regulations, including NOx Tier III
- Cost-competitive versus marine gas oil



1 Based on orders as of February 2023

# Firm capacity additions unlikely to meet growing demand in the mid-term

## Estimated Methanol Industry Net Capacity Additions\*



Source: OPIS (Chemical Market Analytics) World Analysis, Spring 2023 Update.

\*Capacity calculated on a pro-rata basis depending on the actual start-up timing. Hypothetical capacity additions needed to balance the market otherwise operating rate improvements will be required.

### New capacity additions

Besides G3, limited firm capacity addition expected in the Atlantic market. Firm additions outside the Atlantic include a 1.8 mmt plant in Malaysia in 2024 and plants in Iran and China.

New capacity is needed to meet demand growth; greenfield projects typically take 4 to 5 years from FID to commercial production

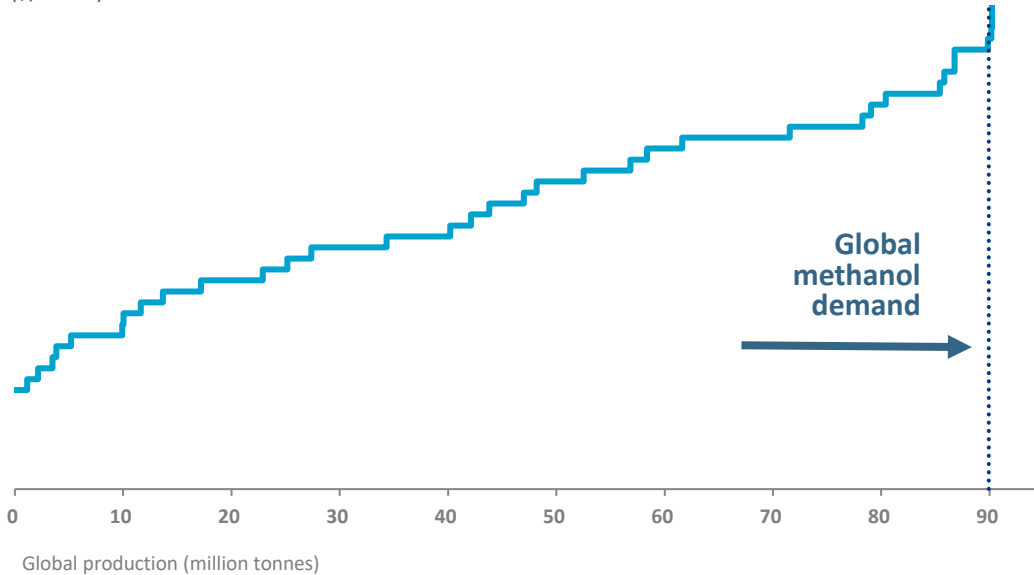
### Mid-term methanol price outlook

Higher methanol prices and tight market conditions supported by:

- Growing methanol demand
- Structural industry supply challenges
- Supportive energy prices

# Competitive position on attractive industry cost curve

**Illustrative methanol industry cost curve**  
(\$/tonne)



**Methanex assets competitive across a wide range of methanol prices due to position on cost curve**

Marginal producers on the high end of cost curve are high-cost coal producers in China

**High energy prices shifting cost curve higher**

Global energy shortages and higher energy prices have shifted the cost curve and provide firm methanol price support



# Demand growth expected to outpace capacity additions in the mid-term requiring operating rates to increase; structural operating rate limits make this challenging

## Structural operating rate limits impacting over 50% of global capacity

**China** – impacted by feedstock availability and environmental restrictions

**Iran** – new plants have consistently run on an intermittent basis due to technical issues and natural gas constraints in the winter

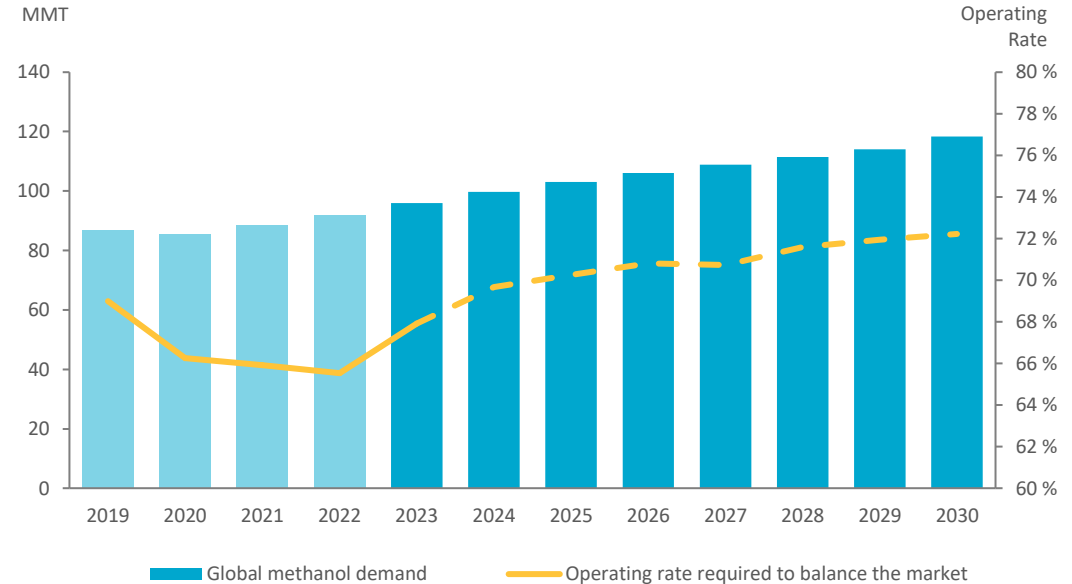
**Trinidad + Europe** – impacted by feedstock economics

## Factors impacting operating rates

- Feedstock availability and higher energy prices
- Technical issues
- Geopolitical challenges
- Environmental restrictions

## Structural operating rates issues must be resolved for operating rates to meet growing demand

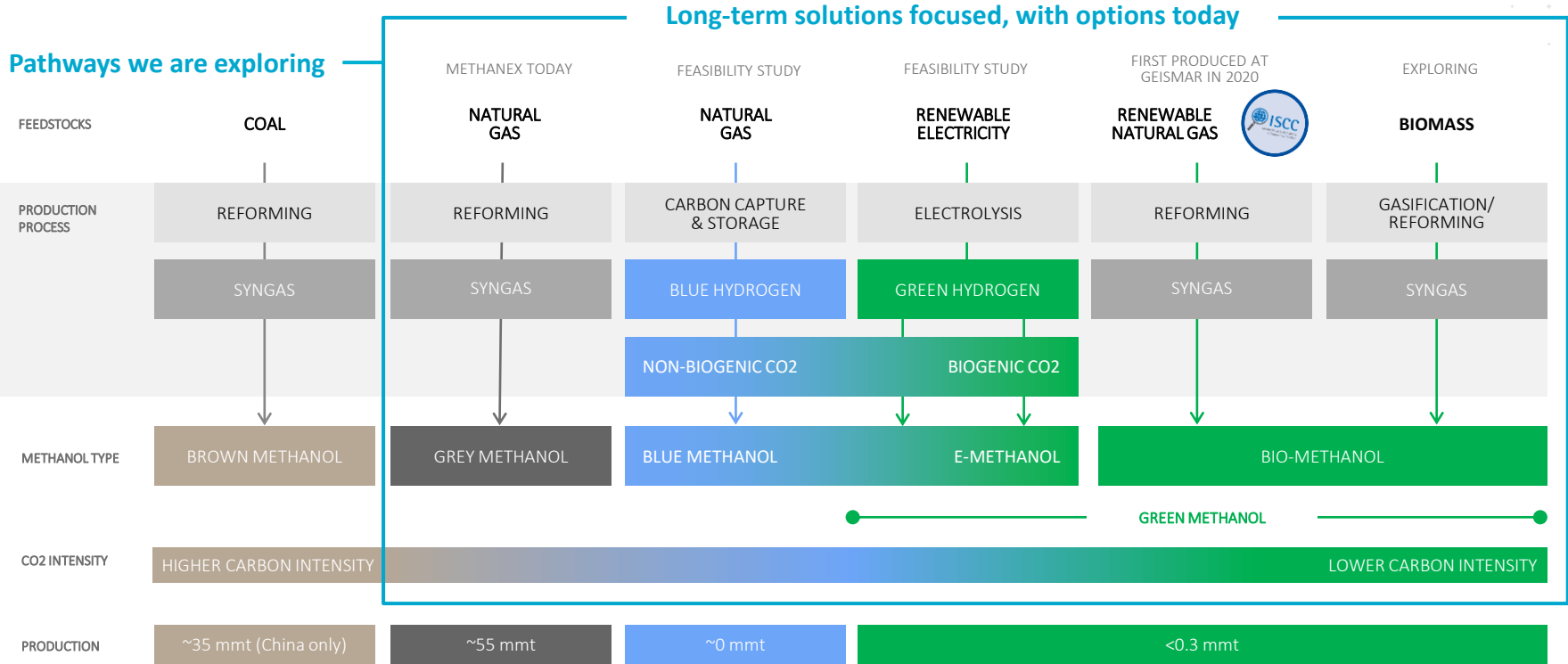
**~3.5% CAGR or +17 mmt**  
demand growth over next five years



Source: OPIS (Chemical Market Analytics) World Analysis, Spring 2023 Update.

# Methanol's role in the low-carbon economy

Conventional methanol reduces air pollution and GHG emissions; methanol from renewable sources can support long-term decarbonization

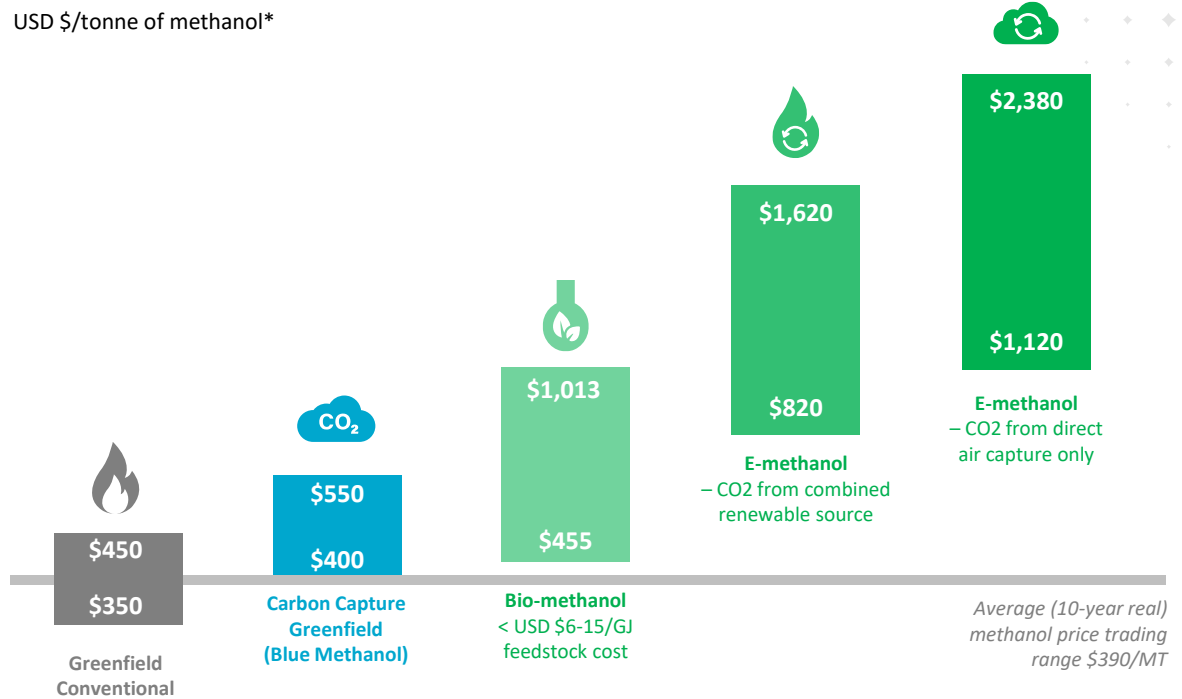


# Price response required to incentivize new low-carbon methanol production

We expect government policies and regulations to lead to increased investment and demand for low and zero carbon methanol. Greater production of lower or zero carbon methanol can be incentivized through various means including customers' willingness to pay a higher price and new technology that reduce production costs.

The cost for lower emission methanol is expected to decrease as technologies mature and become scalable.

Range of current capital and production costs for different forms of methanol  
USD \$/tonne of methanol\*



# Embedding sustainability: from strategy to action<sup>1</sup>

*Solutions focused and committed  
to continual improvement*



## Advancing solutions for a low-carbon future

## Protecting people and the environment

## Fostering inclusion and community connection



### COMMITMENTS

Reduce Scope 1 and Scope 2 GHG emission intensity by 10%<sup>2</sup>

Invest in lower-carbon methanol solutions

### COMMITMENTS

Continuously improve our resource management performance to reduce environmental impact

Continuously improve our personal and process safety performance with the goal of Zero Harm

### COMMITMENT

Embed a culture of inclusion that leverages diversity across our company and strengthens the connection with our communities.

1. For a full list of our ESG commitments see our 2022 Sustainability Report
2. By 2030 from 2019 levels



# Reducing emissions and exploring paths to lower-carbon methanol

Providing solutions for the emerging low-carbon market supports our strategy of global methanol leadership



## Efficiency Projects

We implemented four projects in 2022 that we anticipate will result in 30,000 tonnes CO<sub>2</sub> avoided per year (absolute reductions).

Estimated combined CO<sub>2</sub> avoided from approved efficiency projects is 100,000 tonnes/year by 2024.

**~100,000**

tonnes/year (absolute CO<sub>2</sub> avoided)

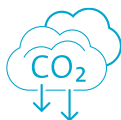


## Reduced-intensity Expansion Projects

Construction is on schedule for the G3 plant in Geismar, Louisiana, with first methanol production expected in the fourth quarter of 2023.

**<0.40**

tonnes of CO<sub>2</sub>/tonne of methanol (estimated G3 intensity) which will lower our average emissions intensity



## Carbon Capture Feasibility Study

Progressing a feasibility study for carbon capture and storage (CCS) at the Geismar site.

UP TO  
**\$1M**

for economic feasibility study



## Renewable Natural Gas

Using renewable natural gas or biomass in a conventional methanol process results in a form of green methanol called bio-methanol.



Certified by the ISCC to produce bio-methanol in Geismar



## Green Hydrogen Feasibility Study

We are conducting a feasibility study of the potential to gradually convert an existing asset to produce lower carbon intensity methanol using green hydrogen.

UP TO  
**\$1M**

for Green Hydrogen feasibility study in 2023

# Focused cost discipline

Our flexible-cost structure enables us to provide secure supply to our customers and create value throughout the cycle

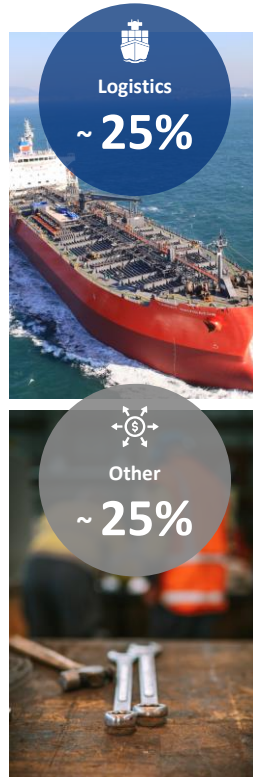


## Natural gas

Flexible cost structure as approximately 60% of our natural gas supply contracts are linked to methanol prices:

- North America: target ~70% of current natural gas requirements under fixed price contracts or financial hedges. Hedged ~85% in 2023 and ~70% in 2024 and 2025.
- Rest of world: natural gas price varies based on methanol prices which enables assets to be competitive across a wide range of methanol prices

*Natural gas prices vary with methanol pricing*



## 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 barge, rail, truck and pipeline

*Logistics costs vary based on oil/bunker fuel prices*

## Fixed + variable manufacturing and G&A costs

Costs include people, utilities (oxygen, CO<sub>2</sub>, power, etc.), and other operating costs

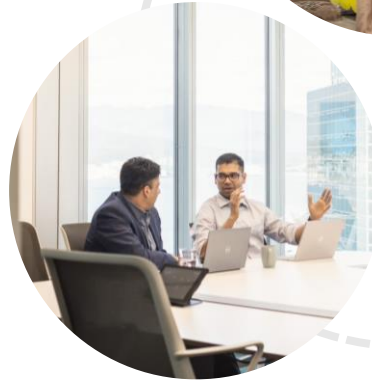
# Consistent capital allocation priorities balancing growth and shareholder returns

To manage cyclicity and maintain a strong and flexible balance sheet we:

- 1. Target higher cash balances:** maintain a minimum of \$300M cash plus remaining G3 capital costs on balance sheet
- 2. Target lower leverage:** target 2-3x debt/EBITDA at \$300 - \$350/tonne average realized price; next debt maturity in 2024 (\$300M) which we plan to retire
- 3. Continue shareholder distributions:** return excess cash to shareholders through a sustainable dividend with greater weighting on flexible share buybacks.

## Maintain our business

Sustaining capital (~\$120M), debt service (~\$145M) and lease payments (~\$80M)



## Shareholder distributions

Strong track record of returning excess cash to shareholders. Returned ~\$2.3B over the past ten years through dividend and share repurchases

## Profitable growth

Pursue value accretive growth opportunities such as the 1.8 mmt G3 project which will enhance cash flow generation capability

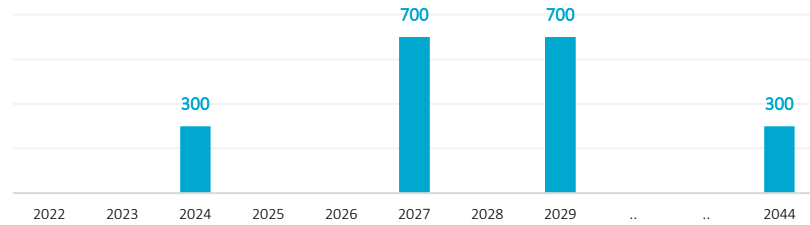
# Strong Financial Position

## Strong liquidity and well-balanced debt maturities

### Targeting investment grade leverage metrics

Next debt maturity in December 2024 (\$300m) which we plan to retire.

### Debt maturity profile (\$m)



### Excellent Liquidity Position

Remaining G3 construction costs are fully funded with balance sheet cash.

Methanex Share of Cash (as of 30 June 2023)

**\$589M**

### Credit Ratings

Target 2-3x debt/EBITDA at \$300 - \$350/MT average realized methanol price.

Moody's

**Ba1**

Fitch

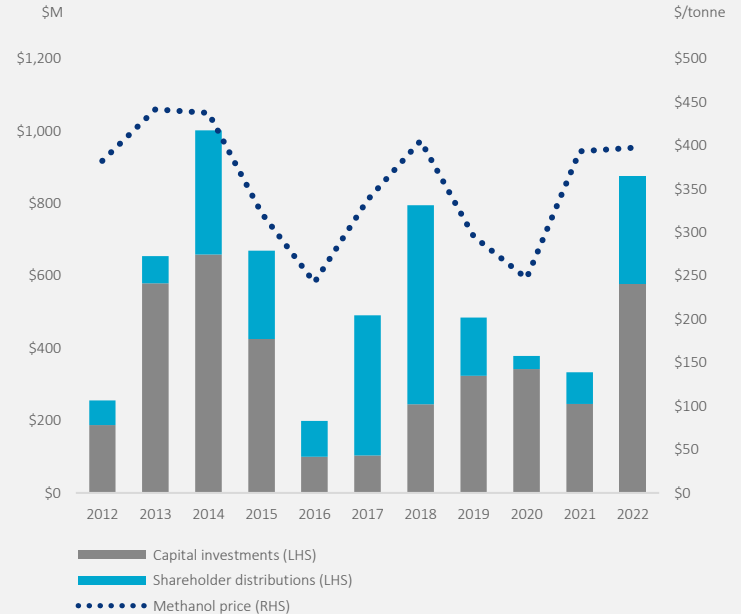
**BB+**

S&P

**BB**

## Consistent track record of balanced capital investment and shareholder distributions

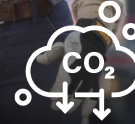
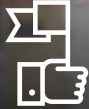
Over the past ten years ~\$2.3B returned to shareholders and ~\$3.8B spend on capital investments



Shareholder distributions include dividend and share buybacks.



# Why Invest?



**Leader in an industry with a positive long-term outlook**

**Growing cash flow capability**

**Sustainable competitive advantage from integrated global capabilities**

**Well-positioned in the transition to a low-carbon economy**

**Disciplined capital allocation strategy**

# 2023 Modeling Information

## Financial profile (Methanex share)

**~\$80M**

Lease Principal Payments

**~\$330M**

Depreciation + Amortization

**~\$145M**

Gross Interest Expense

**~30%**

Effective tax rate  
(mid-cycle pricing)

## Capital expenditures

**~\$240 - 290M**

2023 remaining G3 CAPEX  
(cash basis) as of Q2 2023

**~\$120M<sup>1</sup>**

Run-rate sustaining  
CAPEX

## 2023E Production

**3**

Turnarounds impacting  
Q1, Q2 and Q3 2023

**~6.5 mmt**

equity production  
excluding G3

## Sales mix

**30-35%**

China

**20%**

Asia Pacific  
(ex. China)

**25-30%**

Americas

**20%**

Europe

H1 2023 realized  
discount rate:

**~23%**

## Gas cost structure 2023E

**~36 mmbtu/MT**

Portfolio efficiency

**~\$4.00/mmbtu<sup>2</sup>**

Avg. gas cost at \$400/MT

**~85%**

2023 gas hedge position in North America

**~60%**

Gas costs linked to Average Realized Price (ARP)<sup>3</sup>

1. Capex in a year can be higher or lower based on work required. Updates will be provided quarterly as necessary.

2. \$50/MT change in average realized price (ARP) impacts portfolio gas cost/MT by ~\$10. Unhedged portion of North America (~15%) assumed at \$4.00/mmbtu.

3. Average realized price is calculated as revenue divided by the total sales volume.



# Forward-looking statements

This presentation, our Second Quarter 2023 Management's Discussion and Analysis ("MD&A") as well as comments made during the Second Quarter 2023 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", "plan," "predict" 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 and anticipated timing and rate of return of such 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,
- the timing of the closing of the sale of a minority interest in our Waterfront Shipping subsidiary,
- expected cash flows, cash balances, earnings capability, debt levels and share price,
- availability of committed credit facilities and other financing,
- our ability to meet covenants 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,
- our shareholder distribution strategy and expected 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) and GDP growth,
- 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 or 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,
- the expected timing and capital cost of our Geismar 3 Project,
- global and regional economic activity (including industrial production levels) and GDP growth,
- 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 the Geismar 3 Project, including the impact of any cost pressures arising from labour costs,
- the signing of definitive agreements and the receipt of regulatory and other customary approvals in respect of the sale of a minority interest in our Waterfront Shipping subsidiary,
- competing demand for natural gas, especially with respect to any domestic needs for gas and electricity,
- 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 impacts of the COVID-19 pandemic, and
- other risks described in our 2022 Annual MD&A and Second Quarter 2023 MD&A.

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

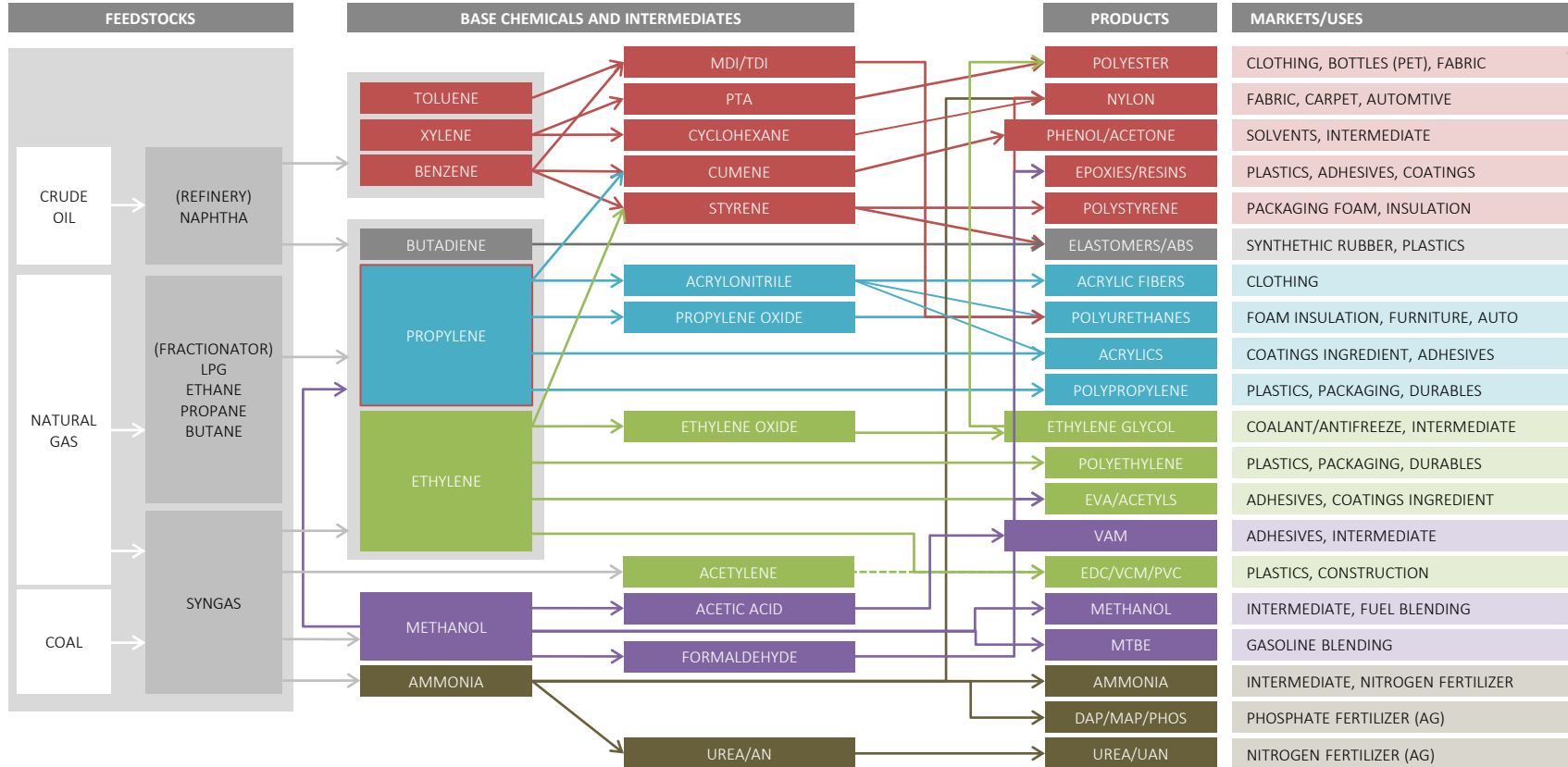
# Strong methanol demand growth forecasted over the next five years

Global methanol demand growth forecast to grow at ~3.5% CAGR or +17 mmt over next five years

	Applications	% of global demand <sup>1</sup>	End uses
<b>Traditional chemical applications</b>	Formaldehyde	~26%	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	~9%	Used to produce a wide variety of products including adhesives, paper, paint, plastics, resins, solvents, pharmaceuticals and textiles
	Other traditional	~17%	Used to produce a wide range of products including adhesives, coatings, plastics, film, textiles, paints, solvents, paint removers, polyester resins/fibers, silicone products
<b>Energy-related applications</b>	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	~9%	Used as an alternative cleaner-burning fuel for transportation, industrial boilers and kilns, and 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
<b>Methanol-to-Olefins</b>	Methanol-to-olefins (MTO)	~17%	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

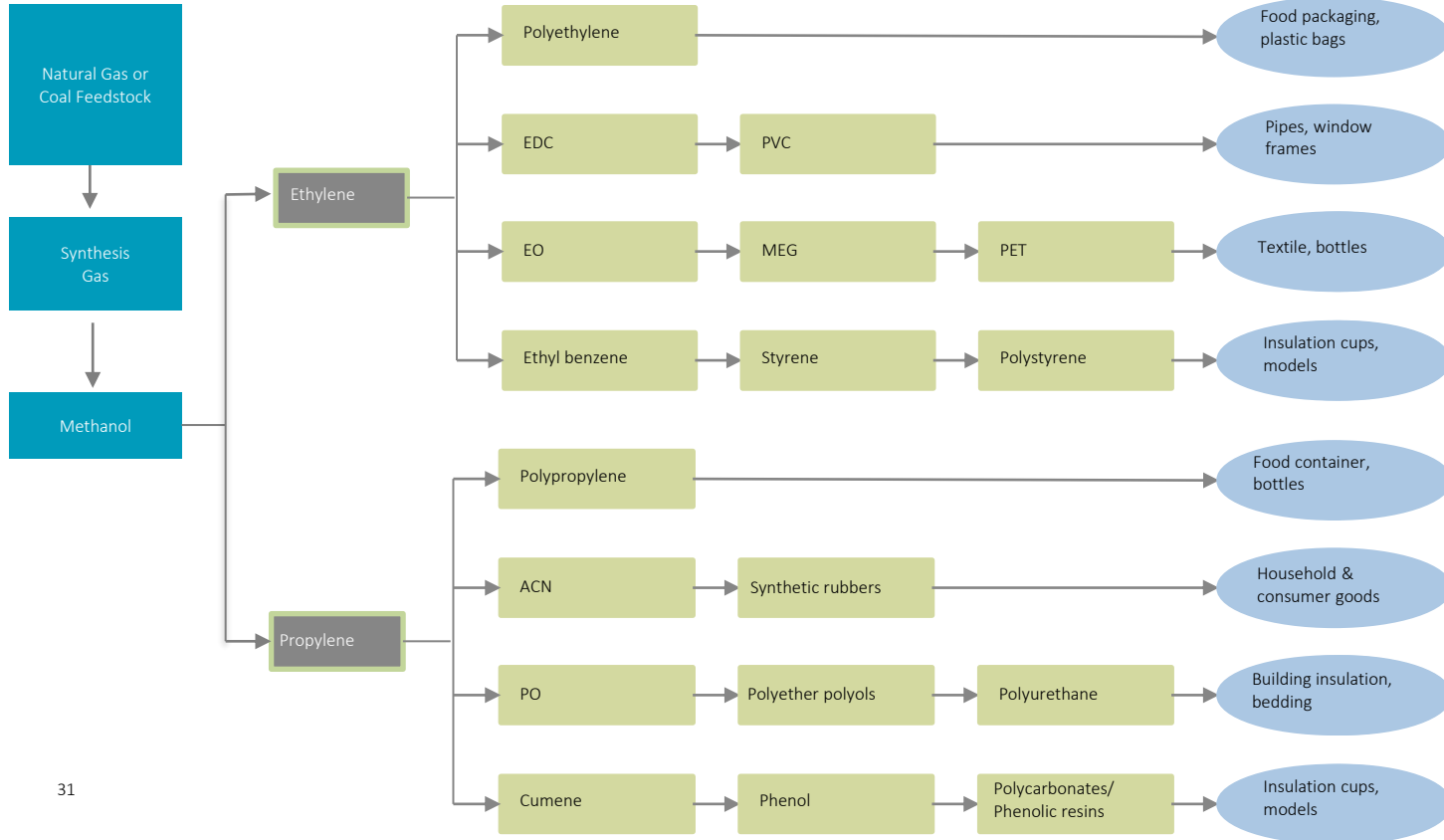
Source: OPIS (Chemical Market Analytics) World Analysis, Spring 2023 Update

# Chemicals value chain



Source: UBS research report

# Methanol-to-olefins (MTO) value chain



- MTO production mostly integrated with downstream products and subject to downstream alternative economics
- Degree of integration means plants tend to keep running

## Illustrative Adjusted EBITDA and free cash flow capabilities assumptions (non-GAAP measures)

<sup>1</sup> Adjusted EBITDA reflects Methanex's proportionate ownership interest. We target to hedge ~70% of our North American natural gas requirements. The unhedged portion of our North American natural gas requirements are purchased under contracts at spot prices. Estimates assume Henry Hub natural gas price of \$4.00/mmbtu.

<sup>2</sup> Free cash flow capability is after lease payments, cash interest (based on current debt levels), debt service, maintenance capital, estimated cash taxes and other cash payments. Various factors including rising/declining methanol prices, planned and unplanned production outages, production mix, changes in tax rates, and other items can impact actual free cash flow. Incremental free cash flow from G3 is presented net of estimated maintenance capital. G3 is presented with zero cash tax due to the significant tax shelter available to it.





### Investor Relations

T: 604 661 2600

[invest@methanex.com](mailto:invest@methanex.com)

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 [www.methanex.com](http://www.methanex.com)

 [linkedin.com/company/methanex-corporation](https://www.linkedin.com/company/methanex-corporation)

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