NEWS RELEASE

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For immediate release

October 25, 2023

Except where otherwise noted, all currency amounts are stated in United States dollars.

METHANEX REPORTS THIRD QUARTER 2023 RESULTS

- Net income attributable to Methanex shareholders of $24 million and Adjusted EBITDA of $105 million in the third quarter. The average realized price in the third quarter was $303 per tonne compared to $338 per tonne in the second quarter of 2023.
- Geismar 3 ("G3") project is progressing safely to plan and construction is near completion with commercial production expected around the end of 2023. The remaining cash spend of $140 - 190 million is fully funded with cash on hand.
- Chile I restarted in September with increased gas availability from Argentina. We are increasing our 2023 production guidance for Chile from 0.8-0.9 million tonnes to 0.9-1.0 million tonnes.
- Signed a two-year natural gas supply agreement with the National Gas Company of Trinidad and Tobago (NGC) for the Titan methanol plant (875,000 tonnes per year capacity), which is currently idled, to restart operations in September 2024. Simultaneously, the Atlas plant (Methanex interest 63.1% or 1,085,000 tonnes per year capacity) will be idled in September 2024, when its legacy 20-year natural gas supply agreement expires.
- Returned $12 million to shareholders through regular dividends and ended the third quarter with $529 million in cash.

VANCOUVER, BRITISH COLUMBIA - For the third quarter of 2023, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of $24 million ($0.36 net income per common share on a diluted basis) compared to net income of $57 million ($0.73 net income per common share on a diluted basis) in the second quarter of 2023. Net income in the third quarter of 2023 was lower compared to the prior quarter primarily due to a lower average realized price, lower sales of Methanex-produced methanol and the mark-to-market impact of share-based compensation due to changes in Methanex's share price, offset by a settlement of a historical dispute under an existing gas contract. Adjusted EBITDA for the third quarter of 2023 was $105 million and Adjusted net income was $1 million ($0.02 Adjusted net income per common share). This compares with Adjusted EBITDA of $160 million and Adjusted net income of $41 million ($0.60 Adjusted net income per common share) for the second quarter of 2023.

Our average realized price in the third quarter was $303 per tonne compared to $338 per tonne in the second quarter of 2023. Through the third quarter we saw improving global market conditions with stronger demand as well as moderation in global operating rates mainly from various supply outages in North America, the Middle East and Southeast Asia.

During the quarter, we returned $12 million to shareholders through the regular dividend. We ended the quarter with $529 million in cash, or approximately $510 million in cash excluding non-controlling interests and including our share of cash in the Atlas joint venture. We also have an undrawn $300 million revolving credit facility that provides additional financial flexibility.

Rich Sumner, President & CEO of Methanex, said, “We continue to proactively navigate the uncertain macro environment while remaining focused on delivering G3 safely and maintaining strong operational results. We are confident that with our continued focus on financial flexibility we will be able to execute our strategy and advance our balanced capital allocation priorities to drive long-term value for our shareholders."

FURTHER INFORMATION

The information set forth in this news release summarizes Methanex's key financial and operational data for the third quarter of 2023. It is not a complete source of information for readers and is not in any way a substitute for reading the third quarter 2023 Management's Discussion and Analysis ("MD&A") dated October 25, 2023 and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2023, both of which are available from the Investor Relations section of our website at www.methanex.com. The MD&A and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2023 are also available on the Canadian Securities Administrators' SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

FINANCIAL AND OPERATIONAL DATA

	Three Months Ended			Nine Months Ended	
($ millions except per share amounts and where noted)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Production (thousands of tonnes) (attributable to Methanex shareholders) [1]	**1,545**	1,658	1,252	**4,863**	4,592
Sales volume (thousands of tonnes)					
Methanex-produced methanol	**1,473**	1,621	1,350	**4,743**	4,781
Purchased methanol	**905**	884	1,113	**2,637**	2,593
Commission sales	**342**	277	214	**927**	753
Total sales volume [1]	**2,720**	2,782	2,677	**8,307**	8,127
Methanex average non-discounted posted price ($ per tonne) [2]	**395**	450	480	**439**	518
Average realized price ($ per tonne) [3]	**303**	338	377	**337**	408
Revenue	**823**	939	1,012	**2,801**	3,325
Net income (attributable to Methanex shareholders)	**24**	57	69	**141**	313
Adjusted net income [4]	**1**	41	49	**118**	292
Adjusted EBITDA [4]	**105**	160	192	**474**	772
Cash flows from operating activities	**106**	196	328	**465**	760
Basic net income per common share	**0.36**	0.84	0.99	**2.07**	4.34
Diluted net income per common share	**0.36**	0.73	0.87	**2.07**	4.17
Adjusted net income per common share [4]	**0.02**	0.60	0.69	**1.74**	4.04
Common share information (millions of shares)					
Weighted average number of common shares	**67**	68	70	**68**	72
Diluted weighted average number of common shares	**67**	68	70	**68**	72
Number of common shares outstanding, end of period	**67**	67	70	**67**	70

[1] Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

[2] Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe, China and Asia Pacific weighted by sales volume. Current and historical pricing information is available at www.methanex.com.

[3] The Company has used Average realized price ("ARP") throughout this document. ARP is calculated as revenue divided by the total sales volume. It is used by management to assess the realized price per unit of methanol sold, and is relevant in a cyclical commodity environment where revenue can fluctuate in response to market prices.

[4] Note that Adjusted net income, Adjusted net income per common share, and Adjusted EBITDA are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to the *Non-GAAP Measures* section on page 14 of our third quarter MD&A dated October 25, 2023 for a description of each non-GAAP measure.

- A reconciliation from net income attributable to Methanex shareholders to Adjusted EBITDA, Adjusted net income and the calculation of Adjusted net income per common share is as follows:

	Three Months Ended			Nine Months Ended	
($ millions)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Mark-to-market impact of share-based compensation	**8**	(15)	(20)	**13**	(19)
Gas contract settlement, net of tax	**(31)**	—	—	**(31)**	—
Depreciation and amortization	**98**	95	100	**292**	286
Finance costs	**26**	30	33	**87**	99
Finance income and other	**(2)**	(16)	(10)	**(29)**	(7)
Income tax expense (recovery)	**(18)**	19	34	**16**	113
Earnings of associate adjustment	**23**	10	17	**51**	57
Non-controlling interests adjustment	**(23)**	(20)	(31)	**(66)**	(70)
Adjusted EBITDA attributable to Methanex shareholders	**$ 105**	$ 160	$ 192	**$ 474**	$ 772

	Three Months Ended			Nine Months Ended	
($ millions except number of shares and per share amounts)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Mark-to-market impact of share-based compensation, net of tax	**6**	(13)	(16)	**11**	(17)
Gas contract settlement, net of tax	**(31)**	—	—	**(31)**	—
Impact of Egypt gas contract revaluation, net of tax	**2**	(3)	(4)	**(3)**	(4)
Adjusted net income	**$ 1**	$ 41	$ 49	**$ 118**	$ 292
Diluted weighted average shares outstanding (millions)	**67**	68	70	**68**	72
Adjusted net income per common share	**$ 0.02**	$ 0.60	$ 0.69	**$ 1.74**	$ 4.04

- We recorded net income attributable to Methanex shareholders of $24 million in the third quarter of 2023 compared to net income of $57 million in the second quarter of 2023. Net income in the third quarter of 2023 was lower compared to the prior quarter primarily due to a lower average realized price, lower sales of Methanex-produced methanol and the mark-to-market impact of share-based compensation due to changes in Methanex's share price, offset by the settlement of a historical dispute under an existing gas contract, that has been excluded from Adjusted EBITDA and Adjusted net income.

- We recorded Adjusted EBITDA of $105 million for the third quarter of 2023 compared to $160 million for the second quarter of 2023. We recorded Adjusted net income of $1 million for the third quarter of 2023 compared to Adjusted net income of $41 million for the second quarter of 2023. Adjusted EBITDA was lower in the third quarter of 2023 primarily due to a lower average realized price and lower sales of Methanex-produced methanol.

- We sold 2,720,000 tonnes in the third quarter of 2023 compared to 2,782,000 tonnes for the second quarter of 2023. Sales of Methanex-produced methanol were 1,473,000 tonnes in the third quarter of 2023 compared to 1,621,000 tonnes in the second quarter of 2023.

- Production for the third quarter of 2023 was 1,545,000 tonnes compared to 1,658,000 tonnes for the second quarter of 2023. Production for the third quarter of 2023 was lower than the second quarter of 2023 due to planned turnarounds in New Zealand and Chile and seasonal gas restrictions in Chile in the third quarter.

- The Geismar 3 project is progressing safely, on time and on budget with commercial production expected around the end of 2023 with an expected total capital cost of $1.25 - 1.3 billion. The remaining cash expenditure of approximately $140 to $190 million, including approximately $50 million of spending accrued in accounts payable, is fully funded with cash on hand. Along with significantly enhancing our cash generation capability, Geismar 3 will have one of the lowest CO2 emissions intensity profiles in the industry, helping us meet our commitment to reduce our greenhouse gas emissions intensity.

- There were no purchases made during the third quarter under the normal course issuer bid that expired in September. Since the commencement of the bid in September 2022, we repurchased a total of 2,787,484 common shares of 3,506,405 permitted under the bid for $119 million, an average purchase price of approximately $43 per share.

- In the third quarter of 2023 we paid a quarterly dividend of $0.185 per common share for a total of $12.5 million.
- At September 30, 2023, we had a strong liquidity position including a cash balance of $529 million, or approximately $510 million excluding non-controlling interests and including our share of cash in the Atlas joint venture. We also have access to an undrawn $300 million revolving credit facility providing financial flexibility.

PRODUCTION HIGHLIGHTS

	Q3 2023		Q2 2023	Q3 2022	**YTD Q3 2023**	YTD Q3 2022
(thousands of tonnes)	**Operating Capacity [1]**	**Production**	Production	Production	**Production**	Production
USA (Geismar)	**550**	**574**	532	492	**1,555**	1,604
New Zealand [2]	**550**	**226**	408	205	**1,037**	835
Trinidad (Methanex interest) [3]	**490**	**287**	248	249	**791**	756
Chile	**425**	**168**	173	141	**590**	662
Egypt (50% interest)	**158**	**160**	163	35	**484**	289
Canada (Medicine Hat)	**160**	**130**	134	130	**406**	446
	2,333	**1,545**	1,658	1,252	**4,863**	4,592

[1] The operating capacity of our production facilities may be higher or lower than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. 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 availability, feedstock composition, the age of the facility's catalyst, turnarounds and access to CO_2 from external suppliers for certain facilities. We review and update the operating capacity of our production facilities on a regular basis based on historical performance.

[2] The operating capacity of New Zealand is made up of the two Motunui facilities and the Waitara Valley facility. The Waitara Valley plant is idled indefinitely due to natural gas constraints.

[3] The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities. Refer to the *Trinidad* section below.

Key production and operational highlights during the third quarter and production outlook for 2023 include:

United States

Geismar produced 574,000 tonnes in the third quarter compared to 532,000 tonnes in the second quarter of 2023. Production was higher in the third quarter as the second quarter was impacted by a planned outage.

New Zealand

New Zealand produced 226,000 tonnes in the third quarter of 2023 compared to 408,000 tonnes in the second quarter of 2023. Production in the third quarter was impacted by a planned turnaround at Motunui 2 which restarted successfully in mid-September. We estimate production for 2023 will be between 1.3 - 1.4 million tonnes. Waitara Valley remains idled indefinitely.

Trinidad

Atlas produced 287,000 tonnes (Methanex interest) in the third quarter of 2023 compared to 248,000 tonnes in the second quarter of 2023. Production was higher in the third quarter as the second quarter was impacted by an unplanned outage in April. In October, Methanex signed a two-year natural gas supply agreement with the National Gas Company of Trinidad and Tobago (NGC) for its currently idled, wholly owned, Titan methanol plant (875,000 tonnes per year capacity) to restart operations in September 2024. Simultaneously, the Atlas plant (Methanex interest 63.1% or 1,085,000 tonnes per year capacity) will be idled in September 2024, when its legacy 20-year natural gas supply agreement expires.

Chile

Chile produced 168,000 tonnes in the third quarter of 2023 compared to 173,000 tonnes in the second quarter of 2023. Production was lower in the third quarter as our Chile plants ran at reduced rates due to seasonal gas limitations during the Southern hemisphere winter months, when domestic natural gas demand is high. In the third quarter we completed a successful turnaround at Chile I and restarted the plant in September with gas from Argentina. We expect both plants to run at full rates from the end of September through April 2024, the Southern hemisphere summer months. We are increasing 2023 production guidance for Chile from 0.8 - 0.9 million tonnes to 0.9 - 1.0 million tonnes because of improved gas availability from Argentina.

Egypt

Egypt produced 320,000 tonnes (Methanex interest - 160,000 tonnes) in the third quarter of 2023 compared to 326,000 tonnes (Methanex interest - 163,000 tonnes) in the second quarter of 2023.

Canada

Medicine Hat produced 130,000 tonnes in the third quarter of 2023 compared to 134,000 tonnes in the second quarter of 2023.

2023 Production Outlook

We expect actual production for 2023 to be slightly above 2023 production guidance of approximately 6.5 million equity tonnes, excluding any production from G3. Actual production may vary by quarter based on timing of turnarounds, gas availability, unplanned outages and unanticipated events.

CONFERENCE CALL

A conference call is scheduled for October 26, 2023 at 11:00 am ET (8:00 am PT) to review these third quarter results. To access the call, dial the conferencing operator fifteen minutes prior to the start of the call at (646) 960-0479, or toll free at (888) 510-2296. The conference ID for the call is #7014770. A simultaneous audio-only webcast of the conference call can be accessed from our website at www.methanex.com/investor-relations/events and will also be available following the call.

ABOUT METHANEX

Methanex is a Vancouver-based, publicly traded company and is the world's largest producer and supplier of methanol to major international markets. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the NASDAQ Global Market in the United States under the trading symbol "MEOH".

FORWARD-LOOKING INFORMATION WARNING

This third quarter 2023 press release contains forward-looking statements with respect to us and the chemical industry. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control. Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. Methanex does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable law. Refer to *Forward-Looking Information Warning* in the third quarter 2023 Management's Discussion and Analysis for more information which is available from the Investor Relations section of our website at www.methanex.com, the Canadian Securities Administrators' SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

NON-GAAP MEASURES

The Company has used the terms Adjusted EBITDA, Adjusted net income, and Adjusted net income per common share throughout this document. These items are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP. These measures represent the amounts that are attributable to Methanex Corporation shareholders and are calculated by excluding the mark-to-market impact of share-based compensation as a result of changes in our share price, the impact of the Egypt gas contract revaluation and the impact of certain items associated with specific identified events. Refer to *Additional Information - Non-GAAP Measures* on page 14 of the Company's MD&A for the period ended September 30, 2023 for reconciliations to the most comparable GAAP measures. Unless otherwise indicated, the financial information presented in this release is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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For further information, contact:

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Methanex Corporation
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Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2023

At October 24, 2023 the Company had 67,377,492 common shares issued and outstanding and stock options exercisable for 1,640,912 additional common shares.

Share Information
Methanex Corporation's common shares are listed for trading on the Toronto Stock Exchange under the symbol MX and on the Nasdaq Global Market under the symbol MEOH.

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Investor Information
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THIRD QUARTER MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Except where otherwise noted, all currency amounts are stated in United States dollars.

This Third Quarter 2023 Management's Discussion and Analysis dated October 25, 2023 for Methanex Corporation ("the Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended September 30, 2023 as well as the 2022 Annual Consolidated Financial Statements and MD&A included in the Methanex 2022 Annual Report. Unless otherwise indicated, the financial information presented in this interim report is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Methanex 2022 Annual Report and additional information relating to Methanex is available on our website at www.methanex.com, the Canadian Securities Administrators' SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

FINANCIAL AND OPERATIONAL DATA

($ millions except per share amounts and where noted)	Three Months Ended			Nine Months Ended	
	Sep 30 2023	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Production (thousands of tonnes) (attributable to Methanex shareholders) [1]	**1,545**	1,658	1,252	**4,863**	4,592
Sales volume (thousands of tonnes)					
Methanex-produced methanol	**1,473**	1,621	1,350	**4,743**	4,781
Purchased methanol	**905**	884	1,113	**2,637**	2,593
Commission sales	**342**	277	214	**927**	753
Total sales volume [1]	**2,720**	2,782	2,677	**8,307**	8,127
Methanex average non-discounted posted price ($ per tonne) [2]	**395**	450	480	**439**	518
Average realized price ($ per tonne) [3]	**303**	338	377	**337**	408
Revenue	**823**	939	1,012	**2,801**	3,325
Net income (attributable to Methanex shareholders)	**24**	57	69	**141**	313
Adjusted net income [4]	**1**	41	49	**118**	292
Adjusted EBITDA [4]	**105**	160	192	**474**	772
Cash flows from operating activities	**106**	196	328	**465**	760
Basic net income per common share	**0.36**	0.84	0.99	**2.07**	4.34
Diluted net income per common share	**0.36**	0.73	0.87	**2.07**	4.17
Adjusted net income per common share [4]	**0.02**	0.60	0.69	**1.74**	4.04
Common share information (millions of shares)					
Weighted average number of common shares	**67**	68	70	**68**	72
Diluted weighted average number of common shares	**67**	68	70	**68**	72
Number of common shares outstanding, end of period	**67**	67	70	**67**	70

[1] Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

[2] Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe, China and Asia Pacific weighted by sales volume. Current and historical pricing information is available at www.methanex.com.

[3] The Company has used Average realized price ("ARP") throughout this document. ARP is calculated as revenue divided by the total sales volume. It is used by management to assess the realized price per unit of methanol sold, and is relevant in a cyclical commodity environment where revenue can fluctuate in response to market prices.

[4] Note that Adjusted net income, Adjusted net income per common share, and Adjusted EBITDA are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to the *Non-GAAP Measures* section on page 14 for a description of each non-GAAP measure.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- A reconciliation from net income attributable to Methanex shareholders to Adjusted net income and the calculation of Adjusted net income per common share is as follows:

	Three Months Ended			Nine Months Ended	
($ millions except number of shares and per share amounts)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Mark-to-market impact of share-based compensation, net of tax	**6**	(13)	(16)	**11**	(17)
Gas contract settlement, net of tax	**(31)**	—	—	**(31)**	—
Impact of Egypt gas contract revaluation, net of tax	**2**	(3)	(4)	**(3)**	(4)
Adjusted net income [1]	**$ 1**	$ 41	$ 49	**$ 118**	$ 292
Diluted weighted average shares outstanding (millions)	**67**	68	70	**68**	72
Adjusted net income per common share [1]	**$ 0.02**	$ 0.60	$ 0.69	**$ 1.74**	$ 4.04

[1] The Company has used the terms Adjusted EBITDA, Adjusted net income and Adjusted net income per common share throughout this document. These items are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to *Additional Information - Non-GAAP Measures* on page 14 of the MD&A for reconciliations to the most comparable GAAP measures.

- We recorded net income attributable to Methanex shareholders of $24 million in the third quarter of 2023 compared to net income of $57 million in the second quarter of 2023. Net income in the third quarter of 2023 was lower compared to the prior quarter primarily due to a lower average realized price, lower sales of Methanex-produced methanol and the mark-to-market impact of share-based compensation due to changes in Methanex's share price, offset by the settlement of a historical dispute under an existing gas contract, that has been excluded from Adjusted EBITDA and Adjusted net income.

- We recorded Adjusted EBITDA of $105 million for the third quarter of 2023 compared to $160 million for the second quarter of 2023. We recorded Adjusted net income of $1 million for the third quarter of 2023 compared to Adjusted net income of $41 million for the second quarter of 2023. Adjusted EBITDA was lower in the third quarter of 2023 primarily due to a lower average realized price and lower sales of Methanex-produced methanol.

- We sold 2,720,000 tonnes in the third quarter of 2023 compared to 2,782,000 tonnes for the second quarter of 2023. Sales of Methanex-produced methanol were 1,473,000 tonnes in the third quarter of 2023 compared to 1,621,000 tonnes in the second quarter of 2023. Refer to the *Supply/Demand Fundamentals* section on page 11 of the MD&A for more information.

- Production for the third quarter of 2023 was 1,545,000 tonnes compared to 1,658,000 tonnes for the second quarter of 2023. Production for the third quarter of 2023 was lower than the second quarter of 2023 due to planned turnarounds in New Zealand and Chile and seasonal gas restrictions in Chile in the third quarter. Refer to the *Production Summary* section on page 4 of the MD&A.

- The Geismar 3 project is progressing safely, on time and on budget with commercial production expected around the end of 2023 with an expected total capital cost of $1.25 - 1.3 billion. The remaining cash expenditure of approximately $140 to $190 million, including approximately $50 million of spending accrued in accounts payable, is fully funded with cash on hand. Along with significantly enhancing our cash generation capability, Geismar 3 will have one of the lowest CO2 emissions intensity profiles in the industry, helping us meet our commitment to reduce our greenhouse gas emissions intensity.

- There were no purchases made during the third quarter under the normal course issuer bid that expired in September. Since the commencement of the bid in September 2022, we repurchased a total of 2,787,484 common shares of 3,506,405 permitted under the bid for $119 million, an average purchase price of approximately $43 per share.

- In the third quarter of 2023 we paid a quarterly dividend of $0.185 per common share for a total of $12.5 million.

- At September 30, 2023, we had a strong liquidity position including a cash balance of $529 million. We also have access to an undrawn $300 million revolving credit facility providing financial flexibility.

PRODUCTION HIGHLIGHTS

(thousands of tonnes)	Q3 2023 Operating Capacity [1]	Q3 2023 Production	Q2 2023 Production	Q3 2022 Production	YTD Q3 2023 Production	YTD Q3 2022 Production
USA (Geismar)	**550**	**574**	532	492	**1,555**	1,604
New Zealand [2]	**550**	**226**	408	205	**1,037**	835
Trinidad (Methanex interest) [3]	**490**	**287**	248	249	**791**	756
Chile	**425**	**168**	173	141	**590**	662
Egypt (50% interest)	**158**	**160**	163	35	**484**	289
Canada (Medicine Hat)	**160**	**130**	134	130	**406**	446
	2,333	**1,545**	1,658	1,252	**4,863**	4,592

[1] The operating capacity of our production facilities may be higher or lower than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. 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 availability, feedstock composition, the age of the facility's catalyst, turnarounds and access to CO_2 from external suppliers for certain facilities. We review and update the operating capacity of our production facilities on a regular basis based on historical performance.

[2] The operating capacity of New Zealand is made up of the two Motunui facilities and the Waitara Valley facility. The Waitara Valley plant is idled indefinitely due to natural gas constraints. Refer to the *New Zealand* section below.

[3] The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities. Refer to the *Trinidad* section below.

Key production and operational highlights during the third quarter and production outlook for 2023 include:

United States

Geismar produced 574,000 tonnes in the third quarter compared to 532,000 tonnes in the second quarter of 2023. Production was higher in the third quarter as the second quarter was impacted by a planned outage.

New Zealand

New Zealand produced 226,000 tonnes in the third quarter of 2023 compared to 408,000 tonnes in the second quarter of 2023. Production in the third quarter was impacted by a planned turnaround at Motunui 2 which restarted successfully in mid-September. We estimate production for 2023 will be between 1.3 - 1.4 million tonnes. Waitara Valley remains idled indefinitely.

Trinidad

Atlas produced 287,000 tonnes (Methanex interest) in the third quarter of 2023 compared to 248,000 tonnes in the second quarter of 2023. Production was higher in the third quarter as the second quarter was impacted by an unplanned outage in April. In October, Methanex signed a two-year natural gas supply agreement with the National Gas Company of Trinidad and Tobago (NGC) for its currently idled, wholly owned, Titan methanol plant (875,000 tonnes per year capacity) to restart operations in September 2024. Simultaneously, the Atlas plant (Methanex interest 63.1% or 1,085,000 tonnes per year capacity) will be idled in September 2024, when its legacy 20-year natural gas supply agreement expires.

Chile

Chile produced 168,000 tonnes in the third quarter of 2023 compared to 173,000 tonnes in the second quarter of 2023. Production was lower in the third quarter as our Chile plants ran at reduced rates due to seasonal gas limitations during the Southern hemisphere winter months, when domestic natural gas demand is high. In the third quarter we completed a successful turnaround at Chile I and restarted the plant in September with gas from Argentina. We expect both plants to run at full rates from the end of September through April 2024, the Southern hemisphere summer months. We are increasing 2023 production guidance for Chile from 0.8 - 0.9 million tonnes to 0.9 - 1.0 million tonnes because of improved gas availability from Argentina.

Egypt

Egypt produced 320,000 tonnes (Methanex interest - 160,000 tonnes) in the third quarter of 2023 compared to 326,000 tonnes (Methanex interest - 163,000 tonnes) in the second quarter of 2023.

Canada

Medicine Hat produced 130,000 tonnes in the third quarter of 2023 compared to 134,000 tonnes in the second quarter of 2023.

2023 Production Outlook

We expect actual production for 2023 to be slightly above 2023 production guidance of approximately 6.5 million equity tonnes, excluding any production from G3. Actual production may vary by quarter based on timing of turnarounds, gas availability, unplanned outages and unanticipated events.

FINANCIAL RESULTS

For the third quarter of 2023, we reported net income attributable to Methanex shareholders of $24 million ($0.36 net income per common share on a diluted basis) compared to net income attributable to Methanex shareholders for the second quarter of 2023 of $57 million ($0.73 net income per common share on a diluted basis) and net income attributable to Methanex shareholders for the third quarter of 2022 of $69 million ($0.87 net income per common share on a diluted basis). For the nine months ended September 30, 2023, we reported net income attributable to Methanex shareholders of $141 million ($2.07 net income per common share on a diluted basis) compared to net income for the same period in 2022 of $313 million ($4.17 net income per common share on a diluted basis). Net income in the third quarter of 2023 was lower compared to the prior quarter primarily due to a lower average realized price, lower sales of Methanex-produced methanol and the mark-to-market impact of share-based compensation due to changes in Methanex's share price, offset by the settlement of a historical dispute under an existing gas contract, that has been excluded from Adjusted EBITDA and Adjusted net income. Net income was lower compared to the third quarter of 2022 primarily due to lower average realized price in the current quarter and income recognized upon redirection and sale of natural gas in Egypt in the third quarter of 2022, partially offset by the settlement of a historical dispute under an existing gas contract recognized in the third quarter of 2023.

For the third quarter of 2023, we recorded Adjusted EBITDA of $105 million and Adjusted net income of $1 million ($0.02 Adjusted net income per common share). This compares with Adjusted EBITDA of $160 million and Adjusted net income of $41 million ($0.60 Adjusted net income per common share) for the second quarter of 2023 and Adjusted EBITDA of $192 million and Adjusted net income of $49 million ($0.69 Adjusted net income per common share) for the third quarter of 2022. For the nine months ended September 30, 2023, we recorded Adjusted EBITDA of $474 million and Adjusted net income of $118 million ($1.74 Adjusted net income per common share) compared to Adjusted EBITDA of $772 million and Adjusted net income of $292 million ($4.04 Adjusted net income per common share) for the same period in 2022.

We calculate Adjusted EBITDA and Adjusted net income by including amounts related to our equity share of the Atlas facility (63.1% interest) and by excluding the non-controlling interests' share, the mark-to-market impact of share-based compensation as a result of changes in our share price, the impact of the Egypt gas contract revaluation included in finance income and other and the impact of certain items associated with specific identified events. Refer to *Additional Information - Non-GAAP Measures* on page 14 for a further discussion on how we calculate these measures. Our analysis of depreciation and amortization, finance costs, finance income and other and income taxes is consistent with the presentation of our consolidated statements of income and excludes amounts related to Atlas.

We review our financial results by analyzing changes in Adjusted EBITDA, mark-to-market impact of share-based compensation, depreciation and amortization, gas contract settlement, finance costs, finance income and other and income taxes. A summary of our consolidated statements of income is as follows:

	Three Months Ended			Nine Months Ended	
($ millions)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Consolidated statements of income:					
Revenue	**$ 823**	$ 939	$ 1,012	**$ 2,801**	$ 3,325
Cost of sales and operating expenses	**(730)**	(724)	(861)	**(2,296)**	(2,605)
Egypt gas redirection and sale proceeds	**—**	—	116	**—**	116
Mark-to-market impact of share-based compensation	**8**	(15)	(20)	**13**	(19)
Adjusted EBITDA attributable to associate	**47**	14	35	**106**	116
Amounts excluded from Adjusted EBITDA attributable to non-controlling interests	**(43)**	(54)	(90)	**(150)**	(161)
Adjusted EBITDA attributable to Methanex shareholders	**105**	160	192	**474**	772
Mark-to-market impact of share-based compensation	**(8)**	15	20	**(13)**	19
Depreciation and amortization	**(98)**	(95)	(100)	**(292)**	(286)
Gas contract settlement, net of tax	**31**	—	—	**31**	—
Finance costs	**(26)**	(30)	(33)	**(87)**	(99)
Finance income and other	**2**	16	10	**29**	7
Income tax recovery (expense)	**18**	(19)	(34)	**(16)**	(113)
Earnings of associate adjustment [1]	**(23)**	(10)	(17)	**(51)**	(57)
Non-controlling interests adjustment [2]	**23**	20	31	**66**	70
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Net income	**$ 44**	$ 91	$ 128	**$ 225**	$ 404

[1] This adjustment represents the deduction of depreciation and amortization, finance costs, finance income and other and income taxes associated with our 63.1% interest in the Atlas methanol facility which are excluded from adjusted EBITDA but included in net income attributable to Methanex shareholders.

[2] This adjustment represents the add-back of the portion of depreciation and amortization, finance costs, finance income and other and income taxes associated with our non-controlling interests' share which has been deducted above but is excluded from net income attributable to Methanex shareholders.

Adjusted EBITDA (attributable to Methanex shareholders)

Our operations consist of a single operating segment - the production and sale of methanol. We review the results of operations by analyzing changes in the components of Adjusted EBITDA. For a discussion of the definitions used in our Adjusted EBITDA analysis, refer to *How We Analyze Our Business* on page 18. Changes in these components - average realized price, sales volume and total cash costs - similarly impact net income attributable to Methanex shareholders. The changes in Adjusted EBITDA resulted from changes in the following:

($ millions)	**Q3 2023 compared with Q2 2023**	**Q3 2023 compared with Q3 2022**	**YTD Q3 2023 compared with YTD Q3 2022**
Average realized price	$ (83)	$ (177)	$ (525)
Sales volume	(10)	(8)	4
Total cash costs	38	98	223
Decrease in Adjusted EBITDA	$ (55)	$ (87)	$ (298)

Average realized price

($ per tonne)	Three Months Ended			Nine Months Ended	
	Sep 30 2023	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Methanex average non-discounted posted price	**395**	450	480	**439**	518
Methanex average realized price	**303**	338	377	**337**	408

Methanex's average realized price for the third quarter of 2023 was $303 per tonne compared to $338 per tonne in the second quarter of 2023 and $377 per tonne in the third quarter of 2022, resulting in a decrease of $83 million and a decrease of $177 million in Adjusted EBITDA, respectively. For the nine months ended September 30, 2023, our average realized price was $337 per tonne compared to $408 per tonne for the same period in 2022, decreasing Adjusted EBITDA by $525 million. Through the third quarter we saw improving global market conditions with stronger demand as well as moderation in global operating rates mainly from various supply outages in North America, the Middle East and Southeast Asia. Refer to the *Supply/Demand Fundamentals* section on page 11 of the MD&A for more information.

Sales volume

Methanol sales volume excluding commission sales volume in the third quarter of 2023 was 127,000 tonnes lower than the second quarter of 2023 and 85,000 tonnes lower than the third quarter of 2022. The decrease in sales volume in the third quarter of 2023 compared to the second quarter of 2023 decreased Adjusted EBITDA by $10 million. The decrease in sales volume for the third quarter of 2023 compared to the same period in 2022 decreased Adjusted EBITDA by $8 million. For the nine months ended September 30, 2023, compared to the same period in 2022, methanol sales volume excluding commission sales volume was 6,000 tonnes higher, increasing Adjusted EBITDA by $4 million. Sales volume may vary quarter to quarter depending on customer requirements and inventory levels as well as the available commission sales volume.

Total cash costs

The primary drivers of changes in our total cash costs are changes in the cost of Methanex-produced methanol and changes in the cost of methanol we purchase from others ("purchased methanol"). We supplement our production with methanol produced by others through methanol offtake contracts and purchases on the spot market to meet customer needs and to support our marketing efforts within the major global markets.

We apply the first-in, first-out method of accounting for inventories and it generally takes between 30 and 60 days to sell the methanol we produce or purchase. Accordingly, the changes in Adjusted EBITDA as a result of changes in Methanex-produced and purchased methanol costs primarily depend on changes in methanol pricing and the timing of inventory flows.

In a rising price environment, our margins at a given price are higher than in a stable price environment as a result of timing of methanol purchases and production versus sales. Generally, the opposite applies when methanol prices are decreasing.

The changes in Adjusted EBITDA due to changes in total cash costs were due to the following:

($ millions)	**Q3 2023 compared with Q2 2023**	**Q3 2023 compared with Q3 2022**	**YTD Q3 2023 compared with YTD Q3 2022**
Methanex-produced methanol costs	$ 15	$ 76	$ 137
Proportion of Methanex-produced methanol sales	(7)	26	(13)
Purchased methanol costs	34	68	171
Logistics costs	1	(10)	(2)
Egypt gas redirection and sale proceeds	—	(58)	(58)
Other, net	(5)	(4)	(12)
Increase in Adjusted EBITDA due to changes in total cash costs	$ 38	$ 98	$ 223

Methanex-produced methanol costs

Natural gas is the primary feedstock at our methanol facilities and is the most significant component of Methanex-produced methanol costs. We purchase natural gas for more than half of our production under agreements where the unique terms of each contract include a base price and a variable price component linked to methanol revenue to reduce our commodity price risk exposure. The variable price component is adjusted by a formula linked to methanol sales prices above a certain level. We also purchase natural gas in North America and are exposed to natural gas spot price fluctuations for the unhedged portion of our gas needs in the region.

For the third quarter of 2023 compared to the second quarter of 2023, lower Methanex-produced methanol costs increased Adjusted EBITDA by $15 million. For the third quarter of 2023 compared to the same period in 2022, lower Methanex-produced methanol costs increased Adjusted EBITDA by $76 million. For the nine months ended September 30, 2023 compared with the same period in 2022, lower Methanex-produced methanol costs increased Adjusted EBITDA by $137 million. Changes in Methanex-produced methanol costs for all periods presented are primarily due to the impact of changes in realized methanol prices on the variable portion of our natural gas cost, changes in spot gas prices which impact the unhedged portion of our North American operations, timing of inventory flows and changes in the mix of production sold from inventory.

Proportion of Methanex-produced methanol sales

The cost of purchased methanol is linked to the selling price for methanol at the time of purchase and the cost of purchased methanol is generally higher than the cost of Methanex-produced methanol. Accordingly, an increase (decrease) in the proportion of Methanex-produced methanol sales results in a decrease (increase) in our overall cost structure for a given period. For the third quarter of 2023 compared to the second quarter of 2023, a lower proportion of Methanex-produced methanol sales decreased Adjusted EBITDA by $7 million. For the third quarter of 2023 compared with the third quarter of 2022, a higher proportion of Methanex-produced methanol increased Adjusted EBITDA by $26 million. For the nine months ended September 30, 2023 compared with the same period in 2022, a lower proportion of Methanex-produced methanol sales decreased Adjusted EBITDA by $13 million.

Purchased methanol costs

Changes in purchased methanol costs for all periods presented are primarily a result of changes in methanol pricing and the timing of purchases sold from inventory, as well as the volume of purchased methanol. For the third quarter of 2023 compared to the second quarter of 2023, the impact of lower purchased methanol costs increased Adjusted EBITDA by $34 million. For the third quarter of 2023 compared to the third quarter of 2022, the impact of lower purchased methanol costs increased Adjusted EBITDA by $68 million. For the nine months ended September 30, 2023 compared with the same period in 2022, lower purchased methanol costs increased Adjusted EBITDA by $171 million.

Logistics costs

Logistics costs include the cost of transportation, storage, and handling of product, and can vary from period to period primarily depending on the levels of production from each of our production facilities, the resulting impact on our supply chain, and variability in bunker fuel costs. Logistics costs for the third quarter of 2023, compared with the second quarter of 2023, were lower by $1 million. For the third quarter of 2023 compared to the third quarter of 2022, logistics costs were higher by $10 million. Logistics costs for the nine months ended September 30, 2023 were $2 million higher compared to the same period in 2022. Changes in logistics costs for all periods presented were due to the mix of production from various plants and the resulting impact on our supply chain.

Egypt gas redirection and sale proceeds

In the third quarter of 2022, we entered into an agreement to redirect and sell the Egypt plant's contracted natural gas during an extended turnaround for a three-month period. Adjusted EBITDA for the third quarter of 2022 includes $58 million (attributable to Methanex) from this transaction which is not present in the comparative periods.

Other, net

Other, net relates to unabsorbed fixed costs, selling, general and administrative expenses and other operational items. Other costs were $5 million higher during the third quarter of 2023 compared to the second quarter of 2023. Other costs during the third quarter of 2023 were $4 million higher compared to the third quarter of 2022. For the nine months ended September 30, 2023

compared with the same period in 2022, other costs were higher by $12 million, due to the organization build-up of costs relating to the start-up of Geismar 3 plant.

Mark-to-Market Impact of Share-based Compensation

We grant share-based awards as an element of compensation. Share-based awards granted include stock options, share appreciation rights, tandem share appreciation rights, deferred share units, restricted share units and performance share units. For all share-based awards, share-based compensation is recognized over the related vesting period for the proportion of the service that has been rendered at each reporting date. Share-based compensation includes an amount related to the grant-date value and a mark-to-market impact as a result of subsequent changes in the fair value of the share-based awards primarily driven by the Company's share price. The grant-date value amount is included in Adjusted EBITDA and Adjusted net income. The mark-to-market impact of share-based compensation as a result of changes in our share price is excluded from Adjusted EBITDA and Adjusted net income and analyzed separately.

	Three Months Ended			Nine Months Ended	
($ millions except share price)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Methanex Corporation share price [1]	**$ 45.05**	$ 41.37	$ 31.87	**$ 45.05**	$ 31.87
Grant-date fair value expense included in Adjusted EBITDA and Adjusted net income	**4**	6	3	**15**	20
Mark-to-market impact [2]	**8**	(15)	(20)	**13**	(19)
Total share-based compensation expense (recovery), before tax	**$ 12**	$ (9)	$ (17)	**$ 28**	$ 1

[1] US dollar share price of Methanex Corporation as quoted on the NASDAQ Global Market on the last trading day of the respective period.

[2] For all periods presented, the mark-to-market impact on share-based compensation is primarily due to changes in the Methanex Corporation share price.

Gas Contract Settlement

In the third quarter of 2023, we recognized a settlement of $31 million (Methanex's share, net of tax) related to a historical dispute under an existing gas contract. For additional information, refer to Note 4 of the condensed consolidated interim financial statements.

Depreciation and Amortization

Depreciation and amortization was $98 million for the third quarter of 2023 compared to $95 million for the second quarter of 2023 and $100 million for the third quarter of 2022. Depreciation and amortization for the nine months ended September 30, 2023 was $292 million compared to $286 million in the same period in 2022. Compared to the nine months ended September 30, 2022, depreciation and amortization in 2023 was higher due to the higher cost base of depreciable property, plant and equipment driven by additional capitalized maintenance costs and ocean going vessel additions.

Finance Costs

	Three Months Ended			Nine Months Ended	
($ millions)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Finance costs before capitalized interest	**$ 41**	$ 43	$ 43	**$ 127**	$ 124
Less capitalized interest	**(15)**	(13)	(10)	**(40)**	(25)
Finance costs	**$ 26**	$ 30	$ 33	**$ 87**	$ 99

Finance costs are primarily comprised of interest on borrowings and lease obligations.

Finance costs were lower for the three and nine month periods ended in 2023 compared to the comparable periods in 2022 primarily due to additional interest capitalized for the Geismar 3 project. Refer to the *Liquidity and Capital Resources* section on page 13.

Finance Income and Other

($ millions)	Three Months Ended Sep 30 2023	Jun 30 2023	Sep 30 2022	Nine Months Ended Sep 30 2023	Sep 30 2022
Finance income and other	**$ 2**	$ 16	$ 10	**$ 29**	$ 7

Finance income and other was lower during the third quarter of 2023, compared to the second quarter of 2023 and the third quarter of of 2022, due to a higher unrealized loss on the derivative associated with the remaining term of the Egypt gas supply contract. Refer to Note 10 of the third quarter 2023 condensed consolidated interim financial statements for further disclosure. The other changes in finance income and other for all periods presented is primarily due to the impact of changes in foreign exchange rates and changes in interest income earned on cash balances.

Income Taxes

A summary of our income taxes for the third quarter of 2023 compared to the second quarter of 2023 and the nine months ended September 30, 2023 compared to the same period in 2022 is as follows:

($ millions except where noted)	Three Months Ended September 30, 2023 Per consolidated statement of income	Adjusted [1, 2, 3, 4]	Three Months Ended June 30, 2023 Per consolidated statement of income	Adjusted [1, 2, 3, 4]
Net income (loss) before income tax	**$ 26**	**$ (2)**	$ 110	$ 55
Income tax recovery (expense)	**18**	**3**	(19)	(14)
Net income after income tax	**$ 44**	**$ 1**	$ 91	$ 41
Effective tax rate	**(69) %**	**150 %**	17 %	26 %

($ millions, except where noted)	Nine Months Ended September 30, 2023 Per consolidated statement of income	Adjusted [1, 2, 3, 4]	Nine Months Ended September 30, 2022 Per consolidated statement of income	Adjusted [1, 2, 3, 4]
Net income before income tax	**$ 241**	**$ 156**	$ 517	$ 415
Income tax expense	**(16)**	**(38)**	(113)	(123)
Net income after income tax	**$ 225**	**$ 118**	$ 404	$ 292
Effective tax rate	**7 %**	**24 %**	22 %	30 %

[1] Adjusted net income before income tax reflects amounts required for the inclusion of 63.1% of Atlas income, 50% of Egypt and 60% of Waterfront Shipping, as well as amounts required to exclude the mark-to-market impact of share-based compensation expense or recovery, the impact of the Egypt gas contract revaluation, and the impact of the settlement of a historical dispute under an existing gas contract. The most directly comparable measure in the financial statements is net income before tax.

[2] Adjusted income tax expense reflects amounts required for the inclusion of 63.1% of Atlas income, 50% of Egypt and 60% of Waterfront Shipping, as well as amounts required to exclude the tax impact of mark-to-market impact of share-based compensation expense or recovery, the impact of the Egypt gas contract revaluation, and the impact of the settlement of a historical dispute under an existing gas contract calculated at the appropriate applicable tax rate for their respective jurisdictions. The most directly comparable measure in the financial statements is income tax expense.

[3] Adjusted effective tax rate is a non-GAAP ratio and is calculated as adjusted income tax expense or recovery, divided by adjusted net income before tax.

[4] Adjusted net income before income tax and Adjusted income tax expense are non-GAAP measures. Adjusted effective tax rate is a non-GAAP ratio. These do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Management uses these to assess the effective tax rate. These measures and ratios are useful as they are a better measure of our underlying tax rate across the jurisdictions in which we operate.

We earn the majority of our income in the United States, New Zealand, Trinidad, Chile, Egypt and Canada. Including applicable withholding taxes, the statutory tax rate applicable to Methanex in the United States is 23%, New Zealand is 28%, Trinidad is 38%, Chile is 35%, Egypt is 30% and Canada is 24.5%. We accrue for withholding taxes that will be incurred upon distributions from our subsidiaries when it is probable that the earnings will be repatriated. As the Atlas entity is accounted for using the equity method, any income taxes related to Atlas are included in earnings of associate and therefore excluded from total income taxes but included in the calculation of Adjusted net income.

The effective tax rate based on Adjusted net income was 150% for the third quarter of 2023 and 26% for the second quarter of 2023. For the nine month period ended September 30, 2023 compared to the same period in 2022, the effective tax rate based on Adjusted net income was 24% and 30%, respectively. Adjusted net income represents the amount that is attributable to Methanex shareholders and excludes the mark-to-market impact of share-based compensation and the impact of certain items associated with specific identified events. The effective tax rate differs from period to period depending on the source of earnings and the impact of foreign exchange fluctuations against the United States dollar. In periods with low income levels, the distribution of income and loss between jurisdictions can result in income tax rates that are not indicative of the longer term corporate tax rate. In addition, the effective tax rate in the third quarter of 2023 was impacted by the resolution of certain outstanding audits.

The following table shows a reconciliation of Net income to Adjusted net income before tax, and of Income taxes to Adjusted income tax expense:

	Three Months Ended		Nine Months Ended	
($ millions except per share amounts and where noted)	**Sep 30 2023**	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income	**$ 44**	$ 128	**$ 225**	$ 404
Adjusted for:				
Income tax expense (recovery)	**(18)**	34	**16**	113
Earnings from associate	**(55)**	(17)	**(85)**	(58)
Share of associate's income before tax	**86**	27	**131**	93
Net income before tax of non-controlling interests	**(22)**	(76)	**(93)**	(113)
Mark-to-market impact of share-based compensation	**8**	(20)	**13**	(19)
Gas contract settlement	**(47)**	—	**(47)**	—
Impact of Egypt gas contract revaluation	**2**	(5)	**(4)**	(5)
Adjusted net income (loss) before tax	**$ (2)**	$ 71	**$ 156**	$ 415
Income tax recovery (expense)	**$ 18**	$ (34)	**$ (16)**	$ (113)
Adjusted for:				
Inclusion of our share of associate's adjusted tax expense	**(15)**	(10)	**(30)**	(35)
Removal of non-controlling interest's share of tax expense	**2**	17	**9**	22
Tax on mark-to-market impact of share-based compensation	**(2)**	4	**(2)**	2
Tax on impact of Egypt gas contract revaluation	**—**	1	**1**	1
Adjusted income tax recovery (expense)	**$ 3**	$ (22)	**$ (38)**	$ (123)

SUPPLY/DEMAND FUNDAMENTALS

Demand

Global methanol demand in the third quarter increased compared to the second quarter of 2023. Methanol demand improvements were primarily driven by stronger demand in China, with increased demand for traditional, MTBE and other fuel blending applications. MTO demand also improved with a number of MTO plants restarting operations in the third quarter supported by higher MTO affordability. Ongoing macro-economic headwinds led to flat demand for traditional applications outside of China.

Over the long term, we believe that traditional chemical demand for methanol is influenced by the strength of global and regional economies and industrial production levels. We believe that demand for energy-related applications will be influenced by energy prices, pricing of end products, and government policies that are playing an increasing role in encouraging new applications for methanol due to its emissions benefits as a fuel. The demand outlook for methanol as marine fuel continues to grow with orders for dual-fueled vessels and retrofits increasing every quarter. The current vessels operating coupled with the order book for new builds and retrofits represents over 200 dual-fueled ships with potential methanol demand of over seven million tonnes per year in the next five years. The future operating rates and methanol consumption from MTO producers will depend on a number of factors including

the pricing for their various final products, the degree of downstream integration of these units with other products, the impact of olefin industry feedstock costs, including naphtha, on relative competitiveness and plant maintenance schedules.

Supply

Global methanol operating rates moderated toward the end of the third quarter with supply outages in North America, Middle East and Southeast Asia.

We expect limited capacity additions in the next five years. In North America, we are building a 1.8 million tonne plant, the Geismar 3 project, which will be our third plant in Louisiana, with commercial production expected around the end of 2023. In Iran, we believe there are two plants under construction, one of which may be close to completion. The completion of major projects as well as ongoing plant operating rates in Iran continue to be uncertain and challenged due to the impact of ongoing sanctions, plant technical issues as well as ongoing natural gas constraints (particularly in the winter months). In Malaysia, a 1.8 million tonne plant is under construction with a scheduled start up in 2024. In China, there are planned capacity additions over the near-to-medium term which we expect will be somewhat offset by the closure of some small-scale, inefficient and older plants. New capacity built in China is expected to be consumed domestically as China is expected to require increasing methanol imports to meet growing demand.

Methanol Price

Our average realized price in the third quarter of 2023 was $303 per tonne compared to $338 per tonne in the second quarter of 2023. Through the third quarter we saw improving global market conditions with stronger demand as well as moderation in global operating rates mainly from various supply outages in North America, the Middle East and Southeast Asia.

Future methanol prices will depend on the strength of the global economy, industry operating rates, global energy prices, new supply additions and the strength of global demand.

The following table outlines our recent regional non-discounted posted prices. Methanol is a global commodity and future methanol prices are directly impacted by changes in methanol supply and demand. Based on the diversity of end products in which methanol is used, demand for methanol is driven by a number of factors including: strength of global and regional economies, industrial production levels, energy and derivatives prices, pricing of end products and government regulations and policies. Methanol industry supply is impacted by the cost and availability of feedstock, methanol industry operating rates and new methanol industry capacity additions.

Methanex Non-Discounted Regional Posted Prices [1]

(US$ per tonne)	**Oct 2023**	**Sep 2023**	**Aug 2023**	**Jul 2023**
North America	516	516	516	529
Europe [2]	400	430	430	430
Asia Pacific	360	315	315	325
China	360	340	305	295

[1] Discounts from our posted prices are offered to customers based on various factors.

[2] €375 for Q4 2023 (Q3 2023 – €395) converted to United States dollars.

LIQUIDITY AND CAPITAL RESOURCES

We operate in a highly competitive commodity industry and therefore are committed to maintaining a strong balance sheet and financial flexibility. At September 30, 2023, our cash balance was $529 million, or approximately $510 million excluding non-controlling interest portion of $62 million but including our share of cash held by the Atlas joint venture of $43 million. We invest our cash only in highly rated instruments that have maturities of three months or less to ensure preservation of capital and appropriate liquidity. We continuously evaluate the liquidity requirements needed to achieve our strategic objectives, including our capital expenditures.

A summary of our sources and uses of cash for the three and nine months ended September 30, 2023, compared to the same periods in 2022, is as follows:

	Three Months Ended			Nine Months Ended		
($ millions, except as otherwise noted)	**Sep 30 2023**	Sep 30 2022	Variance	**Sep 30 2023**	Sep 30 2022	Variance
Cash provided by operating activities	**$ 106**	$ 328	$ (222)	**$ 465**	$ 760	$ (295)
Cash used in financing activities	**(73)**	(94)	21	**(386)**	(320)	(66)
Cash used in investing activities	**(151)**	(151)	—	**(408)**	(411)	3
Increase (decrease) in cash and cash equivalents	**$ (118)**	$ 83	$ (201)	**$ (329)**	$ 29	$ (358)

Cash flows from operating activities in the third quarter of 2023 were $106 million compared to $328 million for the third quarter of 2022. Cash flows from operating activities were lower in the third quarter of 2023 compared to the third quarter of 2022 due to lower income and the negative impact of working capital changes in the third quarter of 2023. Cash flows from operating activities in the nine months ended September 30, 2023 were $465 million compared with $760 million for the same period in 2022, and were lower primarily as a result of lower methanol pricing and lower earnings.

Cash used in financing activities in the third quarter of 2023 was $73 million compared to $94 million for the third quarter of 2022, as the outflows in the third quarter of 2022 included payments for shares repurchased under our normal course issuer bid. This was partially offset by higher distributions to non-controlling interests in the third quarter of 2023 compared to the third quarter of 2022. Cash used in financing activities for the nine months ended September 30, 2023 was $386 million compared to $320 million for the same period in 2022, and were higher as 2022 included higher payments for shares repurchased under our normal course issuer bid, offset by proceeds received upon a sale of partial interest in a subsidiary of $145 million.

In the third quarter of 2023 we paid a quarterly dividend of $0.185 per common share for a total of $12.5 million.

There were no purchases made during the third quarter under the normal course issuer bid that expired in September. Since the commencement of the bid in September 2022, we repurchased a total of 2,787,484 common shares of 3,506,405 permitted under the bid for $119 million, an average purchase price of approximately $43 per share. Our intent remains to repay rather than re-finance the $300 million bond due at the end of 2024 and under current market conditions and pricing levels we will be prioritizing excess cash towards this repayment.

Cash used in investing activities relates to capital spend on maintenance and major projects including our Geismar 3 plant currently under construction. For more information on our capital projects, please see Capital Projects and Growth Opportunities below.

Capital Projects and Growth Opportunities

The Geismar 3 project is progressing safely, on time and on budget with commercial production expected around the end of 2023 with an expected total capital cost of $1.25 - 1.3 billion. The remaining cash expenditure of approximately $140 to $190 million, including approximately $50 million of spending accrued in accounts payable, is fully funded with cash on hand. Along with significantly enhancing our cash generation capability, Geismar 3 will have one of the lowest CO2 emissions intensity profiles in the industry, helping us meet our commitment to reduce our greenhouse gas emissions intensity.

Our planned operational capital expenditures directed towards maintenance, turnarounds, and catalyst changes, including our 63.1% share of Atlas and 50% of Egypt, is currently estimated to be approximately $30 million for the remainder of 2023. Our 2023

capital expenditures are expected to be slightly higher than our average annual sustaining capital due to the number of turnarounds occurring and non-recurring capital projects in 2023.

CRITICAL ACCOUNTING ESTIMATES

In Trinidad we announced our intention to idle the Atlas plant when its 20-year legacy natural gas supply agreement expires in September 2024. The expected idling of the Atlas plant has been identified as an impairment indicator for our Atlas cash generating unit ("Atlas CGU"). The impairment test performed on the Atlas CGU resulted in no impairment provision recognized as the estimated recoverable value, determined on a fair value less costs of disposal methodology, exceeded the carrying value. The estimated recoverable value was based on an assumed restart date and an operating period for Atlas aligned to natural gas reserves estimates in Trinidad with no terminal value, discounted at an after-tax rate of 16%.

The following table indicates the percentages by which key assumptions would need to change individually for the estimated Atlas CGU recoverable value to be equal to the carrying value:

Key Assumptions	Change Required for Carrying Value to Equal Recoverable Value
Long-term average realized price	16 percent decrease
Production volumes	23 percent decrease
Gas price	16 percent increase
Discount rate (after-tax)	1400 basis points increase

The sensitivity above has been prepared considering each variable independently. Historically, our natural gas contracts in Trinidad have included terms whereby a change in methanol price results in a change in natural gas price, protecting margins should revenue decrease.

CONTROLS AND PROCEDURES

During the third quarter of 2023, no changes were made in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ADDITIONAL INFORMATION – NON-GAAP MEASURES

In addition to providing measures prepared in accordance with IFRS, we present certain additional non-GAAP measures and ratios throughout this document. These are Adjusted EBITDA, Adjusted net income, Adjusted net income per common share, Adjusted net income before income tax, Adjusted income tax expense, and Adjusted effective tax rate. These non-GAAP financial measures and ratios reflect our 63.1% economic interest in the Atlas Facility, our 50% economic interest in the Egypt Facility and our 60% economic interest in Waterfront Shipping, and are useful as they are a better measure of our underlying performance, and assist in assessing the operating performance of the Company's business. These measures, at our share of our facilities, are a better measure of our underlying performance, as we fully run the operations on our partners' behalf, despite having less than full share of the economic interest. Adjusted EBITDA is also frequently used by securities analysts and investors when comparing our results with those of other companies. These measures do not have any standardized meaning prescribed by generally accepted accounting principles ("GAAP") and therefore are unlikely to be comparable to similar measures presented by other companies. These supplemental non-GAAP measures and ratios are provided to assist readers in determining our ability to generate cash from operations and improve the comparability of our results from one period to another.

These measures should be considered in addition to, and not as a substitute for, net income and revenue reported in accordance with IFRS.

Adjusted EBITDA (attributable to Methanex shareholders)

Adjusted EBITDA differs from the most comparable GAAP measure, net income attributable to Methanex shareholders, because it excludes the mark-to-market impact of share-based compensation, depreciation and amortization, gas contract settlement, finance costs, finance income and other and income taxes. Adjusted EBITDA includes an amount representing our 63.1% share of the Atlas facility and excludes the non-controlling shareholders' interests in entities which we control but do not fully own.

Adjusted EBITDA and Adjusted net income exclude the mark-to-market impact of share-based compensation related to the impact of changes in our share price on SARs, TSARs, deferred share units, restricted share units and performance share units. The mark-to-market impact related to share-based compensation that is excluded from Adjusted EBITDA and Adjusted net income is calculated as the difference between the grant-date value and the fair value recorded at each period-end. As share-based awards will be settled in future periods, the ultimate value of the units is unknown at the date of grant and therefore the grant-date value recognized in Adjusted EBITDA and Adjusted net income may differ from the total settlement cost.

The following table shows a reconciliation from net income attributable to Methanex shareholders to Adjusted EBITDA:

	Three Months Ended			Nine Months Ended	
($ millions)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Mark-to-market impact of share-based compensation	**8**	(15)	(20)	**13**	(19)
Gas contract settlement, net of tax	**(31)**	—	—	**(31)**	—
Depreciation and amortization	**98**	95	100	**292**	286
Finance costs	**26**	30	33	**87**	99
Finance income and other	**(2)**	(16)	(10)	**(29)**	(7)
Income tax expense (recovery)	**(18)**	19	34	**16**	113
Earnings of associate adjustment [1]	**23**	10	17	**51**	57
Non-controlling interests adjustment [2]	**(23)**	(20)	(31)	**(66)**	(70)
Adjusted EBITDA attributable to Methanex shareholders	**$ 105**	$ 160	$ 192	**$ 474**	$ 772

[1] This adjustment represents the add-back of depreciation and amortization, finance costs, finance income and other and income taxes associated with our 63.1% interest in the Atlas methanol facility which are included in net income attributable to Methanex shareholders excluded from Adjusted EBITDA.

[2] This adjustment represents the deduction of the portion of depreciation and amortization, finance costs, finance income and other and income taxes associated with our non-controlling interests' share which has been added back above but is excluded from Adjusted EBITDA.

Adjusted Net Income and Adjusted Net Income per Common Share

Adjusted net income and Adjusted net income per common share are a non-GAAP measure and a non-GAAP ratio, respectively, because they exclude the mark-to-market impact of share-based compensation, the impact of the Egypt gas contract revaluation included in finance income and other and the impact of certain items associated with specific identified events. The following table shows a reconciliation of net income attributable to Methanex shareholders to Adjusted net income and the calculation of Adjusted net income per common share:

	Three Months Ended			Nine Months Ended	
($ millions except number of shares and per share amounts)	**Sep 30 2023**	Jun 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income attributable to Methanex shareholders	**$ 24**	$ 57	$ 69	**$ 141**	$ 313
Mark-to-market impact of share-based compensation, net of tax	**6**	(13)	(16)	**11**	(17)
Gas contract settlement, net of tax	**(31)**	—	—	**(31)**	—
Impact of Egypt gas contract revaluation, net of tax	**2**	(3)	(4)	**(3)**	(4)
Adjusted net income	**$ 1**	$ 41	$ 49	**$ 118**	$ 292
Diluted weighted average shares outstanding (millions)	**67**	68	70	**68**	72
Adjusted net income per common share	**$ 0.02**	$ 0.60	$ 0.69	**$ 1.74**	$ 4.04

Management uses these measures to analyze net income and net income per common share after adjusting for our economic interest in the Atlas and Egypt facilities and Waterfront Shipping, for reasons as described above. The exclusion of the mark-to-market portion of the impact of share-based compensation is due to these amounts not being seen as indicative of operational performance and can fluctuate in the intervening periods until settlement, at which time they are included appropriately as the cost of employee compensation. The exclusion of the impact of the Egypt gas contract revaluation is due to the change in the derivative being unrealized with the fair value of the derivative expected to fluctuate in the intervening periods until settlement. The exclusion of the impact of the Egypt gas contract revaluation had no impact on comparative periods before the third quarter of 2022, when the contract amendment leading to fair value measurement of the contract occurred. The exclusion of the settlement of a historical dispute under an existing gas contract is due to the one-time nature of the settlement and to better reflect the operating performance of the Company's business.

QUARTERLY FINANCIAL DATA (UNAUDITED)

Our operations consist of a single operating segment - the production and sale of methanol. Quarterly results vary due to the average realized price of methanol, sales volume and total cash costs. A summary of selected financial information is as follows:

	Three Months Ended			
($ millions except per share amounts)	**Sep 30 2023**	**Jun 30 2023**	**Mar 31 2023**	**Dec 31 2022**
Revenue	$ 823	$ 939	$ 1,038	$ 986
Net income attributable to Methanex shareholders	24	57	60	41
Basic net income per common share	0.36	0.84	0.87	0.59
Diluted net income per common share	0.36	0.73	0.87	0.59
Adjusted EBITDA	105	160	209	160
Adjusted net income	1	41	76	51
Adjusted net income per common share	0.02	0.60	1.11	0.73

	Three Months Ended			
($ millions except per share amounts)	**Sep 30 2022**	**Jun 30 2022**	**Mar 31 2022**	**Dec 31 2021**
Revenue	$ 1,012	$ 1,137	$ 1,176	$ 1,253
Net income attributable to Methanex shareholders	69	125	119	201
Basic net income per common share	0.99	1.74	1.60	2.66
Diluted net income per common share	0.87	1.41	1.60	2.51
Adjusted EBITDA	192	243	337	340
Adjusted net income	49	84	159	185
Adjusted net income per common share	0.69	1.16	2.16	2.43

Methanex Corporation
Quarterly History *(unaudited)*

	2023	**Q3**	**Q2**	**Q1**	**2022**	Q4	Q3	Q2	Q1
METHANOL SALES VOLUME *(thousands of tonnes)*									
Methanex-produced [1]	**4,743**	1,473	1,621	1,649	**6,141**	1,360	1,350	1,634	1797
Purchased methanol	**2,637**	905	884	848	**3,688**	1,095	1,113	798	682
Commission sales [1]	**927**	342	277	308	**945**	192	214	260	279
	8,307	2,720	2,782	2,805	**10,774**	2,647	2,677	2,692	2,758
METHANOL PRODUCTION *(thousands of tonnes)*									
New Zealand	**1,037**	226	408	403	**1,230**	395	205	244	386
USA (Geismar)	**1,555**	574	532	449	**2,041**	437	492	556	556
Trinidad (Methanex interest)	**791**	287	248	256	**981**	225	249	249	258
Egypt (50% interest)	**484**	160	163	161	**385**	96	35	150	104
Canada (Medicine Hat)	**406**	130	134	142	**593**	147	130	155	161
Chile	**590**	168	173	249	**888**	226	141	197	324
	4,863	1,545	1,658	1,660	**6,118**	1,526	1,252	1,551	1,789
AVERAGE REALIZED METHANOL PRICE [2]									
($/tonne)	**337**	303	338	371	**397**	373	377	422	425
($/gallon)	**1.01**	0.91	1.02	1.12	**1.19**	1.12	1.13	1.27	1.28
ADJUSTED EBITDA	**474**	105	160	209	**932**	160	192	243	337
PER SHARE INFORMATION ($ per common share attributable to Methanex shareholders)									
Basic net income	**2.07**	0.36	0.84	0.87	**4.95**	0.59	0.99	1.74	1.60
Diluted net income	**2.07**	0.36	0.73	0.87	**4.86**	0.59	0.87	1.41	1.60
Adjusted net income	**1.74**	0.02	0.60	1.11	**4.79**	0.73	0.69	1.16	2.16

[1] Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

[2] Average realized price is calculated as revenue divided by the total sales volume.

HOW WE ANALYZE OUR BUSINESS

Our operations consist of a single operating segment - the production and sale of methanol. We review our financial results by analyzing changes in the components of Adjusted EBITDA, mark-to-market impact of share-based compensation, depreciation and amortization, finance costs, finance income and other and income taxes.

The Company has used the terms Adjusted EBITDA, Adjusted net income and Adjusted net income per common share throughout this document. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to *Additional Information - Non-GAAP Measures* section on page 14 for a description of each non-GAAP measure and reconciliations to the most comparable GAAP measures.

In addition to the methanol that we produce at our facilities, we also purchase and re-sell methanol produced by others and we sell methanol on a commission basis. We analyze the results of all methanol sales together, excluding commission sales volume. The key drivers of changes in Adjusted EBITDA are average realized price, cash costs and sales volume, which are defined and calculated as follows:

PRICE The change in Adjusted EBITDA as a result of changes in average realized price is calculated as the difference from period to period in the selling price of methanol multiplied by the current period total methanol sales volume, excluding commission sales volume.

CASH COSTS The change in Adjusted EBITDA as a result of changes in cash costs is calculated as the difference from period to period in cash costs per tonne multiplied by the current period total methanol sales volume, excluding commission sales volume in the current period. The cash costs per tonne is the weighted average of the cash cost per tonne of Methanex-produced methanol and the cash cost per tonne of purchased methanol. The cash cost per tonne of Methanex-produced methanol includes absorbed fixed cash costs per tonne and variable cash costs per tonne. The cash cost per tonne of purchased methanol consists principally of the cost of methanol itself. In addition, the change in Adjusted EBITDA as a result of changes in cash costs includes the changes from period to period in unabsorbed fixed production costs, consolidated selling, general and administrative expenses and fixed storage and handling costs.

SALES VOLUME The change in Adjusted EBITDA as a result of changes in sales volume is calculated as the difference from period to period in total methanol sales volume, excluding commission sales volume, multiplied by the margin per tonne for the prior period. The margin per tonne for the prior period is the weighted average margin per tonne of Methanex-produced methanol and margin per tonne of purchased methanol. The margin per tonne for Methanex-produced methanol is calculated as the selling price per tonne of methanol less absorbed fixed cash costs per tonne and variable cash costs per tonne. The margin per tonne for purchased methanol is calculated as the selling price per tonne of methanol less the cost of purchased methanol per tonne.

We own 63.1% of the Atlas methanol facility and market the remaining 36.9% of its production through a commission offtake agreement. A contractual agreement between us and our partners establishes joint control over Atlas. As a result, we account for this investment using the equity method of accounting, which results in 63.1% of the net assets and net earnings of Atlas being presented separately in the consolidated statements of financial position and consolidated statements of income, respectively. For purposes of analyzing our business, Adjusted EBITDA, Adjusted net income and Adjusted net income per common share include an amount representing our 63.1% equity share in Atlas. Our analysis of depreciation and amortization, finance costs, finance income and other and income taxes is consistent with the presentation of our consolidated statements of income and excludes amounts related to Atlas.

We own 50% of the 1.26 million tonne per year Egypt methanol facility and market the remaining 50% of its production through a commission offtake agreement. We own 60% of Waterfront Shipping, which provides service to Methanex for the ocean freight component of our distribution and logistics costs. We consolidate both Egypt and Waterfront Shipping, which results in 100% of the financial results being included in our financial statements. Non-controlling interests are included in the Company's consolidated financial statements and represent the non-controlling shareholders' interests in the Egypt methanol facility and Waterfront Shipping. For purposes of analyzing our business, Adjusted EBITDA, Adjusted net income and Adjusted net income per common share exclude the amounts associated with non-controlling interests.

FORWARD-LOOKING INFORMATION WARNING

This Third Quarter 2023 Management's Discussion and Analysis ("MD&A") as well as comments made during the Third 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,
- 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,
- 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) 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 tightening construction labour market conditions,
- 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 Management's Discussion and Analysis and this Third Quarter 2023 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.

Methanex Corporation

Consolidated Statements of Income *(unaudited)*

(thousands of U.S. dollars, except number of common shares and per share amounts)

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Revenue	**$ 823,272**	$ 1,012,031	**$ 2,801,056**	$ 3,325,071
Cost of sales and operating expenses	**(730,047)**	(861,381)	**(2,295,604)**	(2,605,272)
Depreciation and amortization	**(98,285)**	(100,018)	**(291,715)**	(286,057)
Egypt gas redirection and sale proceeds	**—**	116,314	**—**	116,314
Operating income (loss)	**(5,060)**	166,946	**213,737**	550,056
Earnings of associate (note 4)	**55,379**	17,492	**85,287**	58,345
Finance costs (note 5)	**(26,360)**	(32,640)	**(87,280)**	(99,185)
Finance income and other	**2,129**	9,974	**28,733**	7,371
Income before income taxes	**26,088**	161,772	**240,477**	516,587
Income tax recovery (expense):				
Current	**(18,601)**	(37,571)	**(49,653)**	(91,008)
Deferred	**36,133**	3,815	**33,727**	(21,658)
	17,532	(33,756)	**(15,926)**	(112,666)
Net income	**$ 43,620**	$ 128,016	**$ 224,551**	$ 403,921
Attributable to:				
Methanex Corporation shareholders	**$ 24,189**	$ 69,198	**$ 140,649**	$ 312,798
Non-controlling interests	**19,431**	58,818	**83,902**	91,123
	$ 43,620	$ 128,016	**$ 224,551**	$ 403,921
Income per common share for the period attributable to Methanex Corporation shareholders				
Basic net income per common share	**$ 0.36**	$ 0.99	**$ 2.07**	$ 4.34
Diluted net income per common share (note 7)	**$ 0.36**	$ 0.87	**$ 2.07**	$ 4.17
Weighted average number of common shares outstanding (note 7)	**67,377,492**	70,234,460	**67,949,525**	72,011,677
Diluted weighted average number of common shares outstanding (note 7)	**67,382,861**	70,372,523	**67,956,191**	72,320,922

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Comprehensive Income *(unaudited)*
(thousands of U.S. dollars)

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Net income	**$ 43,620**	$ 128,016	**$ 224,551**	$ 403,921
Other comprehensive income (loss):				
Items that may be reclassified to income:				
Changes in cash flow hedges and excluded forward element (note 10)	**13,963**	79,750	**(216,888)**	413,200
Realized losses (gains) on foreign exchange hedges reclassified to revenue	**(217)**	(3,787)	**2,918**	(8,503)
Taxes on above items	**(4,661)**	(13,222)	**46,272**	(83,182)
	9,085	62,741	**(167,698)**	321,515
Comprehensive income	**$ 52,705**	$ 190,757	**$ 56,853**	$ 725,436
Attributable to:				
Methanex Corporation shareholders	**$ 33,274**	$ 131,939	**$ (27,049)**	$ 634,313
Non-controlling interests	**19,431**	58,818	**83,902**	91,123
	$ 52,705	$ 190,757	**$ 56,853**	$ 725,436

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Financial Position *(unaudited)*
(thousands of U.S. dollars)

AS AT		Sep 30 2023		Dec 31 2022
ASSETS				
Current assets:				
Cash and cash equivalents	$	528,696	$	857,747
Trade and other receivables		478,686		500,925
Inventories (note 2)		408,659		439,771
Prepaid expenses		36,189		38,585
Other assets		13,029		39,346
		1,465,259		1,876,374
Non-current assets:				
Property, plant and equipment (note 3)		4,359,642		4,155,283
Investment in associate (note 4)		238,831		197,083
Deferred income tax assets		123,253		46,353
Other assets (note 10)		226,372		356,387
		4,948,098		4,755,106
	$	6,413,357	$	6,631,480
LIABILITIES AND EQUITY				
Current liabilities:				
Trade, other payables and accrued liabilities	$	708,749	$	789,200
Current maturities on long-term debt (note 6)		13,925		15,133
Current maturities on lease obligations		117,764		108,736
Current maturities on other long-term liabilities		54,324		29,548
		894,762		942,617
Non-current liabilities:				
Long-term debt (note 6)		2,129,056		2,136,380
Lease obligations		727,328		761,427
Other long-term liabilities		138,811		134,603
Deferred income tax liabilities		223,898		226,996
		3,219,093		3,259,406
Equity:				
Capital stock		391,632		401,295
Contributed surplus		1,806		1,904
Retained earnings		1,495,214		1,466,872
Accumulated other comprehensive income		91,913		241,942
Shareholders' equity		1,980,565		2,112,013
Non-controlling interests		318,937		317,444
Total equity		2,299,502		2,429,457
	$	6,413,357	$	6,631,480

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Consolidated Statements of Changes in Equity *(unaudited)*

(thousands of U.S. dollars, except number of common shares)

	Number of Common Shares	Capital Stock	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2021	74,774,087	$432,728	$1,928	$1,251,640	$(2,720)	$1,683,576	$271,155	$1,954,731
Net income	—	—	—	312,798	—	312,798	91,123	403,921
Other comprehensive income	—	—	—	—	321,515	321,515	—	321,515
Compensation expense recorded for stock options	—	—	83	—	—	83	—	83
Issue of shares on exercise of stock options	13,000	450	—	—	—	450	—	450
Reclassification of grant date fair value on exercise of stock options	—	104	(104)	—	—	—	—	—
Sale of partial interest in subsidiary	—	—	—	126,445	—	126,445	22,545	148,990
Payments for repurchase of shares	(4,717,421)	(27,315)	—	(194,839)	—	(222,154)	—	(222,154)
Dividend payments to Methanex Corporation shareholders	—	—	—	(31,810)	—	(31,810)	—	(31,810)
Distributions made and accrued to non-controlling interests	—	—	—	—	—	—	(52,811)	(52,811)
Realized hedge gains recognized in cash flow hedges	—	—	—	—	(42,958)	(42,958)	—	(42,958)
Balance, September 30, 2022	70,069,666	$405,967	$1,907	$1,464,234	$275,837	$2,147,945	$332,012	$2,479,957
Net income	—	—	—	41,032	—	41,032	17,335	58,367
Other comprehensive loss	—	—	—	(252)	(21,816)	(22,068)	—	(22,068)
Compensation expense recorded for stock options	—	—	27	—	—	27	—	27
Issue of shares on exercise of stock options	3,800	132	—	—	—	132	—	132
Reclassification of grant date fair value on exercise of stock options	—	30	(30)	—	—	—	—	—
Payments for repurchase of shares	(834,330)	(4,834)	—	(25,997)	—	(30,831)	—	(30,831)
Dividend payments to Methanex Corporation shareholders	—	—	—	(12,145)	—	(12,145)	—	(12,145)
Distributions made and accrued to non-controlling interests	—	—	—	—	—	—	(31,903)	(31,903)
Realized hedge gains recognized in cash flow hedges	—	—	—	—	(12,079)	(12,079)	—	(12,079)
Balance, December 31, 2022	69,239,136	$401,295	$1,904	$1,466,872	$241,942	$2,112,013	$317,444	$2,429,457
Net income	**—**	**—**	**—**	**140,649**	**—**	**140,649**	**83,902**	**224,551**
Other comprehensive loss	**—**	**—**	**—**	**—**	**(167,698)**	**(167,698)**	**—**	**(167,698)**
Compensation expense recorded for stock options	**—**	**—**	**92**	**—**	**—**	**92**	**—**	**92**
Issue of shares on exercise of stock options	**33,067**	**1,144**	**—**	**—**	**—**	**1,144**	**—**	**1,144**
Reclassification of grant date fair value on exercise of stock options	**—**	**190**	**(190)**	**—**	**—**	**—**	**—**	**—**
Payments for repurchase of shares	**(1,894,711)**	**(10,997)**	**—**	**(75,394)**	**—**	**(86,391)**	**—**	**(86,391)**
Dividend payments to Methanex Corporation shareholders	**—**	**—**	**—**	**(36,913)**	**—**	**(36,913)**	**—**	**(36,913)**
Distributions made and accrued to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(82,409)**	**(82,409)**
Realized hedge losses recognized in cash flow hedges	**—**	**—**	**—**	**—**	**17,669**	**17,669**	**—**	**17,669**
Balance, September 30, 2023	**67,377,492**	**$391,632**	**$1,806**	**$1,495,214**	**$91,913**	**$1,980,565**	**$318,937**	**$2,299,502**

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Cash Flows *(unaudited)*
(thousands of U.S. dollars)

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Net income	**$ 43,620**	$ 128,016	**$ 224,551**	$ 403,921
Deduct earnings of associate	**(55,379)**	(17,492)	**(85,287)**	(58,345)
Dividends received from associate	**15,775**	19,561	**43,539**	66,886
Add (deduct) non-cash items:				
Depreciation and amortization	**98,285**	100,018	**291,715**	286,057
Income tax expense (recovery)	**(17,532)**	33,756	**15,926**	112,666
Share-based compensation expense (recovery)	**11,353**	(17,346)	**28,032**	685
Finance costs	**26,360**	32,640	**87,280**	99,185
Other	**6,369**	(8,866)	**(15,983)**	(10,358)
Interest received	**5,514**	2,539	**17,398**	3,498
Income taxes paid	**(9,586)**	(10,977)	**(80,117)**	(76,250)
Other cash payments, including share-based compensation	**(4,785)**	(477)	**(39,101)**	(14,004)
Cash flows from operating activities before undernoted	**119,994**	261,372	**487,953**	813,941
Changes in non-cash working capital (note 9)	**(13,557)**	66,964	**(22,924)**	(53,864)
	106,437	328,336	**465,029**	760,077
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Payments for repurchase of shares	**—**	(31,751)	**(86,391)**	(222,154)
Dividend payments to Methanex Corporation shareholders	**(12,463)**	(12,272)	**(36,913)**	(31,810)
Interest paid	**(15,287)**	(16,597)	**(101,475)**	(97,947)
Repayment of long-term debt and financing fees (note 6)	**(1,754)**	(3,036)	**(10,444)**	(8,737)
Repayment of lease obligations	**(29,538)**	(23,853)	**(86,455)**	(76,115)
Distributions to non-controlling interests	**(31,452)**	(29,902)	**(82,409)**	(52,811)
Proceeds on issue of shares on exercise of stock options	**—**	—	**1,144**	450
Restricted cash for debt service accounts	**(451)**	(161)	**(963)**	(1,175)
Sale of partial interest in subsidiary	**—**	3,990	**—**	148,990
Changes in non-cash working capital related to financing activities (note 9)	**18,000**	19,666	**18,000**	21,492
	(72,945)	(93,916)	**(385,906)**	(319,817)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Property, plant and equipment	**(68,793)**	(56,106)	**(149,708)**	(102,409)
Geismar plant under construction	**(71,738)**	(91,763)	**(228,901)**	(318,050)
Changes in non-cash working capital related to investing activities (note 9)	**(10,001)**	(2,821)	**(29,565)**	9,924
	(150,532)	(150,690)	**(408,174)**	(410,535)
Increase (decrease) in cash and cash equivalents	**(117,040)**	83,730	**(329,051)**	29,725
Cash and cash equivalents, beginning of period	**645,736**	878,064	**857,747**	932,069
Cash and cash equivalents, end of period	**$ 528,696**	$ 961,794	**$ 528,696**	$ 961,794

See accompanying notes to condensed consolidated interim financial statements.

1. Basis of presentation:

Methanex Corporation ("the Company") is an incorporated entity with corporate offices in Vancouver, Canada. The Company's operations consist of the production and sale of methanol, a commodity chemical. The Company is the world's largest producer and supplier of methanol to the major international markets of Asia Pacific, North America, Europe and South America.

These condensed consolidated interim financial statements are prepared in accordance with *International Accounting Standards ("IAS") 34, Interim Financial Reporting,* as issued by the International Accounting Standards Board ("IASB") on a basis consistent with those followed in the most recent annual consolidated financial statements except for the adoption of amendments to IAS 1 *Disclosure of Accounting Policies,* IAS 8 *Changes in Accounting Estimates and Errors*, and IAS 12, *Income Taxes* ("IAS 12") regarding deferred tax related to assets and liabilities arising from a single transaction. The amendments did not have a material impact on the Company's consolidated financial statements.

In May 2023, the IASB issued a further amendment to IAS 12, establishing a mandatory exception for recognition and disclosure of deferred taxes related to the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("Pillar Two rules"). The Pillar Two rules establish a global minimum fifteen percent top-up tax regime and will apply to Methanex beginning in 2024. The Company has applied this mandatory exception in the current period. The IAS 12 amendment also introduced disclosure requirements on the current tax impact of Pillar Two rules that will apply to the Company's 2023 annual financial statements.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Audit, Finance & Risk Committee of the Board of Directors on October 25, 2023.

These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2022.

2. Inventories:

Inventories are valued at the lower of cost, determined on a first-in first-out basis, and estimated net realizable value. The amount of inventories recognized as an expense in cost of sales and operating expenses and depreciation and amortization for the three and nine months ended September 30, 2023 is $596 million (2022 - $758 million) and $2,106 million (2022 - $2,373 million).

3. Property, plant and equipment:

	Owned Assets (a)	Right-of-use assets (b)	Total
Net book value at September 30, 2023	**$ 3,632,203**	**$ 727,439**	**$ 4,359,642**
Net book value at December 31, 2022	$ 3,398,805	$ 756,478	$ 4,155,283

a) Owned assets:

	Buildings, Plant Installations & Machinery	Plants Under Construction [1]	Ocean Going Vessels	Other	Total
Cost at September 30, 2023	**$ 4,902,042**	**$ 1,291,004**	**$ 240,723**	**$ 142,128**	**$ 6,575,897**
Accumulated depreciation at September 30, 2023	**2,776,952**	**—**	**58,348**	**108,394**	**2,943,694**
Net book value at September 30, 2023	**$ 2,125,090**	**$ 1,291,004**	**$ 182,375**	**$ 33,734**	**$ 3,632,203**
Cost at December 31, 2022	$ 5,000,999	$ 1,001,888	$ 240,867	$ 140,081	$ 6,383,835
Accumulated depreciation at December 31, 2022	2,827,870	—	49,310	107,850	2,985,030
Net book value at December 31, 2022	$ 2,173,129	$ 1,001,888	$ 191,557	$ 32,231	$ 3,398,805

[1] The Company is constructing a 1.8 million tonne methanol plant in Geismar, Louisiana adjacent to its Geismar 1 and Geismar 2 facilities. Included in cost of Plants Under Construction are $135 million of capitalized interest and finance charges as at September 30, 2023.

b) Right-of-use assets:

	Ocean Going Vessels	Terminals and Tanks	Plant Installations and Machinery	Other	Total
Cost at September 30, 2023	**$ 890,891**	**$ 286,946**	**$ 7,766**	**$ 50,660**	**$ 1,236,263**
Accumulated depreciation at September 30, 2023	**289,517**	**187,017**	**4,008**	**28,282**	**508,824**
Net book value at September 30, 2023	**$ 601,374**	**$ 99,929**	**$ 3,758**	**$ 22,378**	**$ 727,439**
Cost at December 31, 2022	$ 846,977	$ 286,036	$ 23,797	$ 44,904	$ 1,201,714
Accumulated depreciation at December 31, 2022	245,873	160,163	15,314	23,886	445,236
Net book value at December 31, 2022	$ 601,104	$ 125,873	$ 8,483	$ 21,018	$ 756,478

4. Interest in Atlas joint venture:

a) Stand-alone financial information:

The Company has a 63.1% equity interest in Atlas Methanol Company Unlimited ("Atlas"). Atlas owns a 1.8 million tonne per year methanol production facility in Trinidad. The Company accounts for its interest in Atlas using the equity method. Summarized financial information of Atlas (100% basis) is as follows:

Statements of financial position	Sep 30 2023	Dec 31 2022
Cash and cash equivalents	**$ 67,770**	$ 24,420
Other current assets	**281,533**	182,103
Non-current assets	**156,263**	184,373
Current liabilities	**(108,058)**	(92,108)
Other long-term liabilities, including current maturities	**(139,976)**	(107,416)
Net assets at 100%	**$ 257,532**	$ 191,372
Net assets at 63.1%	**$ 162,503**	$ 120,755
Long-term receivable from Atlas	**76,328**	76,328
Investment in associate	**$ 238,831**	$ 197,083

Statements of income	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Revenue	**$ 103,210**	$ 132,072	**$ 361,378**	$ 422,878
Cost of sales and depreciation and amortization	**(39,381)**	(85,516)	**(221,146)**	(267,953)
Gas contract settlement [(b)]	**75,000**	—	**75,000**	—
Operating income	**138,829**	46,556	**215,232**	154,925
Finance costs, finance income and other	**(2,719)**	(3,494)	**(7,754)**	(7,583)
Income tax expense [(b)]	**(48,346)**	(15,341)	**(72,316)**	(54,878)
Net earnings at 100%	**$ 87,764**	$ 27,721	**$ 135,162**	$ 92,464
Earnings of associate at 63.1%	**$ 55,379**	$ 17,492	**$ 85,287**	$ 58,345
Dividends received from associate	**$ 15,775**	$ 19,561	**$ 43,539**	$ 66,886

b) Gas contract settlement:

Atlas stand-alone financial results include a $75 million settlement (Methanex share, $47 million, net of tax, $31 million) related to a historical dispute under an existing gas contract. The amount is expected to be received in cash in the fourth quarter of 2023.

c) Impairment testing:

In October 2023, we announced our intention to idle the Atlas plant when its 20-year legacy natural gas supply agreement expires in September 2024. The expected idling of the Atlas plant has been identified as an impairment indicator for our Atlas cash generating unit ("Atlas CGU"). The impairment test performed on the Atlas CGU resulted in no impairment provision recognized as the estimated recoverable value, determined on a fair value less costs of disposal methodology, exceeded the carrying value. The estimated recoverable value was based on an assumed restart date and an operating period for Atlas aligned to natural gas reserves estimates in Trinidad with no terminal value, discounted at an after-tax rate of 16%.

The following table indicates the percentages by which key assumptions would need to change individually for the estimated Atlas CGU recoverable value to be equal to the carrying value:

Key Assumptions	Change Required for Carrying Value to Equal Recoverable Value
Long-term average realized price	16 percent decrease
Production volumes	23 percent decrease
Gas price	16 percent increase
Discount rate (after-tax)	1400 basis points increase

The sensitivity above has been prepared considering each variable independently. Historically, our natural gas contracts in Trinidad have included terms whereby a change in methanol price results in a change in natural gas price, protecting margins should revenue decrease.

d) Atlas tax assessments:

The Board of Inland Revenue of Trinidad and Tobago ("the BIR") has audited and issued assessments against Atlas in respect of the 2005 to 2017 financial years. All subsequent tax years remain open to assessment. The assessments relate to the pricing arrangements of certain long-term fixed-price sales contracts that commenced in 2005 and continued with affiliates through 2014 and with an unrelated third party through 2019.

The long-term fixed-price sales contracts with affiliates were established as part of the formation of Atlas and management believes these were reflective of market considerations at that time.

During the periods under assessment and continuing through 2014, approximately 50% of Atlas-produced methanol was sold under these fixed-price contracts. From late 2014 through 2019 fixed-price sales to an unrelated third party represented approximately 10% of Atlas-produced methanol. Atlas had partial relief from corporation income tax until late July 2014.

The Company believes it is impractical to disclose a reasonable estimate of the potential contingent liability due to the wide range of assumptions and interpretations implicit in the assessments.

The Company has lodged objections to the assessments. No deposits have been required to lodge objections. Based on the merits of the cases and advice from legal counsel, the Company believes its position should be sustained, that Atlas has filed its tax returns and paid applicable taxes in compliance with Trinidadian tax law, and as such has not accrued for any amounts relating to these assessments. Contingencies inherently involve the exercise of significant judgment, and as such the outcomes of these assessments and the financial impact to the Company could be material.

The Company anticipates the resolution of this matter through the court systems to be lengthy and, at this time, cannot predict a date as to when this matter is expected to be ultimately resolved.

5. Finance costs:

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Finance costs	**$ 40,925**	$ 42,381	**$ 127,423**	$ 124,481
Less capitalized interest related to Geismar plant under construction	**(14,565)**	(9,741)	**(40,143)**	(25,296)
	$ 26,360	$ 32,640	**$ 87,280**	$ 99,185

Finance costs are primarily comprised of interest on the unsecured notes, limited recourse debt facilities, finance lease obligations, amortization of deferred financing fees, and accretion expense associated with site restoration costs. Interest during construction projects is capitalized until the plant is substantially completed and ready for productive use.

6. Long-term debt:

As at	**Sep 30 2023**	Dec 31 2022
Unsecured notes		
$300 million at 4.25% due December 1, 2024	**$ 299,167**	$ 298,836
$700 million at 5.125% due October 15, 2027	**694,539**	693,649
$700 million at 5.25% due December 15, 2029	**695,686**	695,283
$300 million at 5.65% due December 1, 2044	**295,681**	295,606
	1,985,073	1,983,374
Other limited recourse debt facilities		
5.58% due through June 30, 2031	**58,020**	61,978
5.35% due through September 30, 2033	**65,261**	70,312
5.21% due through September 15, 2036	**34,627**	35,849
Total long-term debt [1]	**2,142,981**	2,151,513
Less current maturities [1]	**(13,925)**	(15,133)
	$ 2,129,056	$ 2,136,380

[1] Long-term debt and current maturities are presented net of deferred financing fees.

The Company has access to a $300 million committed revolving credit facility, which is with a syndicate of highly rated financial institutions. The revolving credit facility was entered into with the following significant covenants and default provisions:

a) the obligation to maintain a minimum EBITDA to interest coverage ratio of greater than or equal to 2:1 calculated on a four-quarter trailing basis and a debt to capitalization ratio of less than or equal to 60%, both calculated in accordance with definitions in the credit agreement that include adjustments to limited recourse subsidiaries,

b) a default if payment is accelerated by a creditor on any indebtedness of $50 million or more of the Company and its subsidiaries, except for the limited recourse subsidiaries, and

c) a default if a default occurs that permits a creditor to demand repayment on any other indebtedness of $50 million or more of the Company and its subsidiaries, except for the limited recourse subsidiaries.

The revolving credit facility is secured by certain assets of the Company, and also includes other customary covenants including restrictions on the incurrence of additional indebtedness.

Other limited recourse debt facilities relate to financing for certain of our ocean going vessels which we own through less than wholly-owned entities under the Company's control. The limited recourse debt facilities are described as limited recourse as they are secured only by the assets of the entity that carries the debt. Accordingly, the lenders to the limited recourse debt facilities have no recourse to the Company or its other subsidiaries.

Failure to comply with any of the covenants or default provisions of the long-term debt facilities described above could result in a default under the applicable credit agreement that would allow the lenders to not fund future loan requests, accelerate the due date of the principal and accrued interest on any outstanding loans, or restrict the payment of cash or other distributions.

As at September 30, 2023, management believes the Company was in compliance with all covenants related to long-term debt obligations.

7. Net income per common share:

Diluted net income per common share is calculated by considering the potential dilution that would occur if outstanding stock options and, under certain circumstances, tandem share appreciation rights ("TSARs") were exercised or converted to common shares.

Outstanding TSARs may be settled in cash or common shares at the holder’s option and for purposes of calculating diluted net income per common share, the more dilutive of the cash-settled and equity-settled method is used, regardless of how the plan is accounted for. Accordingly, TSARs that are accounted for using the cash-settled method will require adjustments to the numerator and denominator if the equity-settled method is determined to have a dilutive effect on diluted net income per common share as compared to the cash-settled method. The cash-settled method was more dilutive for the three and nine months ended September 30, 2023, and no adjustment was required for the numerator or the denominator. The equity-settled method was more dilutive for the three and nine months ended September 30, 2022, and an adjustment was required for both the numerator and denominator.

Stock options and, if calculated using the equity-settled method, TSARs are considered dilutive when the average market price of the Company’s common shares during the period disclosed exceeds the exercise price of the stock option or TSAR. For the three and nine months ended September 30, 2023 and 2022, stock options were dilutive, resulting in an adjustment to the denominator.

A reconciliation of the numerator used for the purposes of calculating diluted net income per common share is as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Numerator for basic net income per common share	**$ 24,189**	$ 69,198	**$ 140,649**	$ 312,798
Adjustment for the effect of TSARs:				
Cash-settled recovery included in net income	**—**	(7,489)	**—**	(5,798)
Equity-settled expense	**—**	(440)	**—**	(5,067)
Numerator for diluted net income per common share	**$ 24,189**	$ 61,269	**$ 140,649**	$ 301,933

A reconciliation of the denominator used for the purposes of calculating diluted net income per common share is as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Denominator for basic net income per common share	**67,377,492**	70,234,460	**67,949,525**	72,011,677
Effect of dilutive stock options	**5,369**	4,069	**6,666**	12,224
Effect of dilutive TSARs	**—**	133,994	**—**	297,021
Denominator for diluted net income per common share	**67,382,861**	70,372,523	**67,956,191**	72,320,922

8. Share-based compensation:

a) Share appreciation rights ("SARs"), TSARs and stock options:

(i) Outstanding units:

Information regarding units outstanding at September 30, 2023 is as follows:

	SARs		TSARs	
(per share amounts in USD)	**Number of Units**	**Weighted Average Exercise Price**	**Number of Units**	**Weighted Average Exercise Price**
Outstanding at December 31, 2022	407,687	$ 44.67	2,188,359	$ 42.68
Granted	51,160	50.49	169,190	50.49
Exercised	(41,335)	34.89	(321,208)	31.92
Cancelled	(2,200)	54.65	(13,544)	51.36
Outstanding at June 30, 2023	**415,312**	**$ 46.31**	**2,022,797**	**$ 44.99**
Exercised	**(9,380)**	**29.27**	**—**	**—**
Outstanding at September 30, 2023	**405,932**	**$ 46.70**	**2,022,797**	**$ 44.99**

	Stock Options	
(per share amounts in USD)	**Number of Units**	**Weighted Average Exercise Price**
Outstanding at December 31, 2022	102,531	$ 43.96
Granted	6,810	50.49
Exercised	(23,767)	34.59
Outstanding at June 30, 2023	**85,574**	**$ 47.08**
Cancelled	**(2,500)**	**52.32**
Outstanding at September 30, 2023	**83,074**	**$ 46.92**

Range of Exercise Prices (per share amounts in USD)	Units Outstanding at September 30, 2023				Units Exercisable at September 30, 2023		
	Weighted Average Remaining Contractual Life (Years)	Number of Units Outstanding		Weighted Average Exercise Price	Number of Units Exercisable		Weighted Average Exercise Price
SARs:							
$29.27 to $38.79	**3.77**	**112,962**	**$**	**32.60**	**99,800**	**$**	**31.78**
$45.40 to $50.49	**3.16**	**172,210**		**49.93**	**99,229**		**49.97**
$54.65 to $78.59	**1.64**	**120,760**		**55.29**	**120,760**		**55.29**
	2.88	**405,932**	**$**	**46.70**	**319,789**	**$**	**46.30**
TSARs:							
$29.27 to $38.79	**3.82**	**791,521**	**$**	**33.01**	**682,249**	**$**	**32.09**
$45.40 to $50.49	**3.90**	**673,316**		**49.55**	**330,265**		**49.62**
$54.65 to $78.59	**1.91**	**557,960**		**56.48**	**557,960**		**56.48**
	3.32	**2,022,797**	**$**	**44.99**	**1,570,474**	**$**	**44.45**
Stock options:							
$29.27 to $38.79	**3.73**	**22,320**	**$**	**32.20**	**20,028**	**$**	**31.45**
$45.40 to $50.49	**2.36**	**34,844**		**49.98**	**24,500**		**50.05**
$54.65 to $78.59	**1.71**	**25,910**		**55.49**	**25,910**		**55.49**
	2.53	**83,074**	**$**	**46.92**	**70,438**	**$**	**46.76**

(ii) Compensation expense related to SARs and TSARs:

Compensation expense for SARs and TSARs is measured based on their fair value and is recognized over the vesting period. Changes in fair value each period are recognized in net income for the proportion of the service that has been rendered at each reporting date. The fair value at September 30, 2023 was $27.2 million compared to the recorded liability of $24.4 million. The difference between the fair value and the recorded liability is $2.8 million and will be recognized over the weighted average remaining vesting period of approximately 1.4 years. The weighted average fair value was estimated at September 30, 2023 using the Black-Scholes option pricing model.

For the three and nine month periods ended September 30, 2023, compensation expense related to SARs and TSARs included an expense in cost of sales and operating expense of $3.7 million (2022 - a recovery of $8.6 million) and an expense of $9.9 million (2022 - a recovery of $4.8 million), respectively. This included an expense of $2.9 million (2022 - a recovery of $8.8 million) and an expense of $6.7 million (2022 - a recovery of $9.9 million), related to the effect of the change in the Company's share price for the three and nine month periods ended September 30, 2023 and 2022 respectively.

b) Deferred, restricted and performance share units:

Deferred, restricted and performance share units outstanding at September 30, 2023 are as follows:

	Number of Deferred Share Units	Number of Restricted Share Units	Number of Performance Share Units
Outstanding at December 31, 2022	155,761	340,929	744,887
Granted	15,843	104,980	179,340
Performance factors impact on redemption [1]	—	—	143,065
Granted in-lieu of dividends	1,245	2,657	5,204
Redeemed	(18,962)	(122,064)	(435,035)
Cancelled	—	(6,003)	(9,591)
Outstanding at June 30, 2023	**153,887**	**320,499**	**627,870**
Granted	**1,304**	**—**	**—**
Granted in-lieu of dividends	**628**	**1,365**	**2,683**
Cancelled	**—**	**(2,180)**	**(1,955)**
Outstanding at September 30, 2023	**155,819**	**319,684**	**628,598**

[1] The number of performance share units that ultimately vest are determined by performance factors as described below. The performance factors impact relates to performance share units redeemed in the quarter ended March 31, 2023.

Performance share units are redeemable for cash based on the market value of the Company's common shares and are non-dilutive to shareholders. Units vest over three years and include two equally weighted performance factors: (i) relative total shareholder return of Methanex shares versus a specific market index (the market performance factor) and (ii) three year average modified return on capital employed (the non-market performance factor). The market performance factor is measured by the Company at the grant date and reporting date using a Monte-Carlo simulation model to determine fair value. The non-market performance factor reflects management's best estimate to determine the expected number of units to vest. Based on these performance factors, the performance share unit payout will range between 0% to 200%.

Compensation expense for deferred, restricted and performance share units is measured at fair value based on the market value of the Company's common shares and is recognized over the vesting period. Changes in fair value are recognized in net income for the proportion of the service that has been rendered at each reporting date. The fair value of deferred, restricted and performance share units at September 30, 2023 was $55.2 million compared to the recorded liability of $43.4 million. The difference between the fair value and the recorded liability of $11.8 million will be recognized over the weighted average remaining vesting period of approximately 1.8 years.

For the three and nine month periods ended September 30, 2023, compensation expense related to deferred, restricted and performance share units included in cost of sales and operating expenses was an expense of $7.6 million (2022 - a recovery of $8.8 million) and an expense of $18.0 million (2022 - an expense of $5.4 million), respectively. This included an expense of $4.7 million (2022 - a recovery of $11.3 million) and an expense of $6.1 million (2022 - a recovery of $8.8 million), related to the effect of the change in the Company's share price for the three and nine month periods ended September 30, 2023 and 2022 respectively.

9. Changes in non-cash working capital:

Changes in non-cash working capital for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Changes in non-cash working capital:				
Trade and other receivables	**$ (14,530)**	$ (65,002)	**$ 22,239**	$ (9,026)
Inventories	**50,494**	61,457	**31,112**	42,043
Prepaid expenses	**(3,437)**	(1,204)	**2,396**	(7,683)
Trade, other payables and accrued liabilities	**5,962**	140,326	**(80,451)**	(18,654)
	38,489	135,577	**(24,704)**	6,680
Adjustments for items not having a cash effect and working capital changes relating to taxes and interest paid	**(44,047)**	(51,768)	**(9,785)**	(29,128)
Changes in non-cash working capital having a cash effect	**$ (5,558)**	$ 83,809	**$ (34,489)**	$ (22,448)
These changes relate to the following activities:				
Operating	**$ (13,557)**	$ 66,964	**$ (22,924)**	$ (53,864)
Financing	**18,000**	19,666	**18,000**	21,492
Investing	**(10,001)**	(2,821)	**(29,565)**	9,924
Changes in non-cash working capital	**$ (5,558)**	$ 83,809	**$ (34,489)**	$ (22,448)

10. Financial instruments:

Financial instruments are either measured at amortized cost or fair value.

In the normal course of business, the Company's assets, liabilities and forecasted transactions, as reported in U.S. dollars, are impacted by various market risks including, but not limited to, natural gas prices and currency exchange rates. The time frame and manner in which the Company manages those risks varies for each item based on the Company's assessment of the risk and the available alternatives for mitigating risks.

The Company uses derivatives as part of its risk management program to mitigate variability associated with changing market values. Changes in fair value of derivative financial instruments are recorded in earnings unless the instruments are designated

as cash flow hedges. The Company designates as cash flow hedges derivative financial instruments to hedge its risk exposure to fluctuations in natural gas prices and derivative financial instruments to hedge its risk exposure to fluctuations in the Euro compared to the U.S. dollar.

The fair value of derivative instruments is determined based on industry-accepted valuation models with those using market observable inputs classified within Level 2 of the fair value hierarchy and those using significant unobservable inputs classified as Level 3. The fair value of all of the Company's derivative contracts as presented in the consolidated statements of financial position are determined based on present values and the discount rates used are adjusted for credit risk. The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges is recorded in other comprehensive income as the change in fair value of cash flow hedges. The change in the fair value of the forward element of forward contracts is recorded separately in other comprehensive income as the forward element is excluded from the hedging relationships. Once a commodity hedge settles, the amount realized during the period and not recognized immediately in the statement of income is reclassified from accumulated other comprehensive income (equity) to inventory and ultimately through cost of goods sold. Foreign currency hedges settled, are realized during the period directly to the statement of income, reclassified from the statement of other comprehensive income.

Until settled, the fair value of Level 2 derivative financial instruments will fluctuate based on changes in commodity prices or foreign currency exchange rates and the fair value of Level 3 derivative financial instruments will fluctuate based on changes in the observable and unobservable valuation model inputs.

North American Natural gas forward contracts

The Company manages its exposure to changes in natural gas prices for a portion of its North American natural gas requirements by executing a number of fixed price forward contracts: both financial and physical.

The Company has entered into forward contracts designated as cash flow hedges to manage its exposure to changes in natural gas prices for Geismar. Natural gas is fungible across the Geismar plants. Other costs incurred to transport natural gas from the contracted delivery point Henry Hub to the relevant production facility represent an insignificant portion of the overall underlying risk and are recognized as incurred outside of the hedging relationship.

As at		Sep 30 2023		Dec 31 2022
Maturities		**2023-2032**		2023-2032
Notional quantity [1]		**315,300**		307,900
Notional quantity per day, annualized [1]		**50 - 170**		50 - 150
Notional amount	**$**	**1,057,296**	$	1,014,264
Net fair value	**$**	**117,209**	$	316,008

[1] In thousands of Million British Thermal Units (MMBtu)

Information regarding the gross amounts of the Company's natural gas forward contracts designated as cash flow hedges in the unaudited consolidated statements of financial position is as follows:

As at		Sep 30 2023		Dec 31 2022
Other current assets	**$**	**7,333**	$	32,768
Other non-current assets		**150,357**		289,979
Other current liabilities		**(23,703)**		(317)
Other long-term liabilities		**(16,778)**		(6,422)
Net fair value	**$**	**117,209**	$	316,008

Euro forward exchange contracts

The Company manages its foreign currency exposure to euro denominated sales by executing a number of forward contracts which it has designated as cash flow hedges for its highly probable forecast euro collections.

As at September 30, 2023, the Company had outstanding forward exchange contracts designated as cash flow hedges to sell a notional amount of 19.4 million euros (December 31, 2022 - 21.1 million euros). The euro contracts had a positive fair value of

$0.8 million included in Other current assets (December 31, 2022 - negative fair value of $1.7 million included in Other current liabilities).

Changes in cash flow hedges and excluded forward element

Information regarding the impact of changes in cash flow hedges and cost of hedging reserve in the consolidated statement of comprehensive income is as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30 2023	Sep 30 2022	**Sep 30 2023**	Sep 30 2022
Change in fair value of cash flow hedges	**$ 44,822**	$ (50,079)	**$ (238,116)**	$ 686,165
Forward element excluded from hedging relationships	**(30,859)**	129,829	**21,228**	(272,965)
	$ 13,963	$ 79,750	**$ (216,888)**	$ 413,200

Fair value - Level 2 instruments

The fair value of the Company's North American natural gas forward contracts and Euro forward exchange contracts are derivative financial instruments determined based on Bloomberg quoted market prices and confirmations received from counterparties, which are adjusted for credit risk.

The table below shows the nominal net cash flows for derivative hedging instruments, excluding credit risk adjustments, based upon contracted settlement dates. The amounts reflect the maturity profile of the hedging instruments and are subject to change based on the prevailing market rate at each of the future settlement dates. Financial asset derivative positions are held with investment-grade counterparties and therefore the settlement day risk exposure is considered to be minimal.

			Cash inflows (outflows) by term to maturity - undiscounted			
	Carrying amount	**Contractual cash flows**	**1 year or less**	**1-3 years**	**3-5 years**	**More than 5 years**
Natural gas forward contracts assets	**$ 157,690**	**$ 189,946**	**$ 8,321**	**$ 72,785**	**$ 59,548**	**$ 49,292**
Natural gas forward contracts liabilities	**(40,481)**	**(44,018)**	**(27,990)**	**(12,830)**	**(621)**	**(2,577)**
Euro forward exchange contracts	**772**	**772**	**772**	**—**	**—**	**—**
	$ 117,981	**$ 146,700**	**$ (18,897)**	**$ 59,955**	**$ 58,927**	**$ 46,715**

The carrying values of the Company's financial instruments approximate their fair values, except as follows:

	September 30, 2023		December 31, 2022	
As at	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Long-term debt excluding deferred financing fees	**$ 2,158,311**	**$ 1,950,499**	**$ 2,168,585**	**$ 1,953,932**

Long-term debt consists of limited recourse debt facilities and unsecured notes. There is no publicly traded market for the limited recourse debt facilities. The fair value of the limited recourse debt facilities as disclosed on a recurring basis and categorized as Level 2 within the fair value hierarchy is estimated by reference to current market rates as at the reporting date. The fair value of the unsecured notes disclosed on a recurring basis and also categorized as Level 2 within the fair value hierarchy is estimated using quoted prices and yields as at the reporting date. The fair value of the revolving and construction credit facilities are equal to their carrying values. The fair value of the Company's long term debt will fluctuate until maturity.

Fair value - Egyptian natural gas supply contract (Level 3 instrument)

The Company holds a long-term natural gas supply contract expiring in 2035 with the Egyptian Natural Gas Holding Company, a State-Owned enterprise in Egypt. The natural gas supply contract includes a base fixed price plus a premium based on the realized price of methanol for the full volume of natural gas to supply the plant through 2035. As a result of an amendment in 2022, the contract is being treated as a derivative measured at fair value.

There is no observable, liquid spot market or forward curve for natural gas in Egypt. In addition, there are limited observable prices for natural gas in Egypt as all natural gas purchases and sales are controlled by the government and the observed prices differ based on the produced output or usage.

Due to the absence of an observable market price for an equivalent or similar contract to measure fair value, the contract's fair value is estimated using a Monte-Carlo model. The Monte-Carlo model includes significant unobservable inputs and as a result is classified within Level 3 of the fair value hierarchy. We consider market participant assumptions in establishing the model inputs and determining fair value, including adjusting the base fixed price and methanol based premium at the valuation date to consider estimates of inflation since contract inception.

At September 30, 2023 the fair value of the derivative associated with the remaining term of the natural gas supply contract is $18.2 million recorded in Other assets (December 31, 2022 - $11.2 million). Changes in fair value of the contract are recognized in Finance income and other.

The table presents the Level 3 inputs and the sensitivities of the Monte-Carlo model valuation to changes in these inputs:

	Sensitivities		
Valuation input	**Input value or range**	**Change in input**	**Resulting change in valuation**
Methanol price volatility (before impact of mean reversion)	35%	+/- 5%	$+/-6 million
Methanol price forecast	$290 - $420 per MT	+/- $25 per MT	$-5/+7 million
Discount rate	9.2%	+/- 1%	$-/+1 million

It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the impact of such variations could be material.